



Daily Report

China

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23 November 1990

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Foreign Ministry Holds Weekly News Briefing

Deng Xiaoping 'in Good Health'

HK2311010390 Hong Kong SOUTH CHINA MORNING POST in English 23 Nov 90 p 11

[Text] A Chinese official yesterday said Chinese patriarch leader Mr Deng Xiaoping was neither ill nor in hospital.

Assistant Foreign Minister Mr Li Zhaoxing told a weekly press conference in Beijing: "Comrade Deng Xiaoping is in good health. Anyone with common sense should know that a man with good health does not need to be in hospital."

Rumours about the health of the 86-year-old retired leader intensified with reports early this week that his daughter, Miss Deng Lin, cut short a trip to Japan and returned to Beijing.

Mr Deng has not been seen in public since July, but his daughter had insisted during her visit to Japan that her father was not in ill health.

A source said Ms Deng had returned to Beijing last week, but the date of departure had been fixed in advance.

Welcomes Treaty

HK2311032190 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Nov 90 p 1

["China Welcomes Treaty Between the United States and the Soviet Union and Between NATO and the Warsaw Pact on Conventional Armed Forces Reduction in Europe"]

[Text] Beijing, Nov 22—China welcomes the treaty [tiao yue 2742 4766] on the reduction of conventional forces reached by the United States and Soviet Union, and the two major military blocs in Europe, a Chinese Foreign Ministry spokesman said here this afternoon.

Li Zhaoxing, the spokesman, said this at the weekly news briefing when asked to comment on the signing of the agreement on the reduction of conventional armaments by NATO and the Warsaw Pact countries.

He said that disarmament in Europe where there is the biggest concentration of weapons and troops in the world will be conducive not only to detente in Europe but also to stability in the world at large.

"We hope that the arms reduction in Europe can be carried out smoothly on the premise that it will not affect the security of other regions and countries," he added.

At the same time, he continued, the United States and the Soviet Union are expected to undertake "due special

responsibility" and on this basis, take "further practical actions," to carry out disarmament in all fields in Europe and the world as a whole.

States Position on Gulf

HK2311031190 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Nov 90 p 1

["Foreign Ministry Spokesman on PRC Gulf Position"]

[Text] Beijing, November 22—"Our position is a clear-cut one," a Chinese foreign ministry spokesman said here today in response to questions on China's position, which was described by foreign press reviews as being vague, on a Security Council resolution authorizing the use of force against Iraq.

"As long as there is still a gleam of hope for a peaceful settlement, unremitting efforts should be continued toward this," spokesman Li Zhaoxing said at the weekly news briefing.

So far no member state has ever proposed to the Security Council such a draft resolution, Li said, adding that "this is a very serious and complicated issue which would have a major impact."

"So it must be handled with great care and should not be hurried through," he said.

At present, Li said, the Gulf crisis has reached a tense and subtle point with the danger of war on the increase. Meanwhile, voices for a peaceful settlement of the crisis are also growing.

He said that Chinese Foreign Minister Qian Qichen's visit to the four Arab countries has been greatly useful for promoting the momentum of a peaceful settlement of the crisis and for expounding to the Iraqi leaders China's solemn and just stand.

Supports South Asian Summit

OW2211105990 Beijing XINHUA in English 1044 GMT 22 Nov 90

[Text] Beijing, November 22 (XINHUA)—China hopes that the current summit meeting of the South Asian Association will give an impetus to new development of the South Asian regional cooperation, a Chinese Foreign Ministry spokesman said here today.

South Asian regional cooperation is a component part of South-South cooperation and it is conducive to the promotion of economic development in that region, the spokesman said at a news briefing.

Since its establishment, the South Asian Association for Regional Cooperation has achieved some gratifying progress in the field of regional cooperation thanks to the joint efforts made by its member states, he said.

The spokesman said that as a close neighbor and friend of the South Asian countries, China has all along supported these countries in their efforts to develop regional cooperation on the basis of equality and mutual benefit.

Denies Cambodian Arms Sales

*HK2211121390 Hong Kong AFP in English
1152 GMT 22 Nov 90*

[Text] Beijing, Nov 22 (AFP)—China said Thursday it had frozen its arms deliveries to the Cambodian resistance since a plan to settle the Cambodian conflict was adopted at the United Nations in September. "Ever since the adoption of the five documents by the five permanent Security Council members, China has never provided any military assistance including weapons to resistance forces in Cambodia," foreign ministry spokesman Li Zhaoxing said.

Mr Li was denying reports from Bangkok this week that the Khmer Rouge—the strongest of the three factions fighting to topple Cambodia's Vietnamese-installed government—had received new deliveries of Chinese heavy artillery. Sources in Bangkok also reported in October that the radical Marxist faction, which ruled Cambodia from 1975 to 1979, had received up to 24 Chinese-built T-59 tanks.

Chinese Foreign Minister Qian Qichen said following a meeting with his Soviet counterpart Eduard Shevardnadze in early September that China and the Soviet Union would suspend their arms deliveries to the warring sides in the framework of a comprehensive settlement of the 12-year Cambodian conflict.

Moscow and its ally Hanoi are the Phnom Penh government's main backers.

Mr Li also reiterated Thursday that resistance leader Prince Norodom Sihanouk should be urgently confirmed as chairman of the Supreme National Council (SNC), while the warring factions should be left to settle the issue of the vice-chairmanship themselves.

Cambodian Prime Minister Hun Sen has agreed to let Prince Sihanouk head the SNC, which is to represent Cambodian sovereignty as the peace plan is implemented, only on condition that he be named vice-chairman.

Views Cambodian Council Leadership

*HK2211130090 Beijing ZHONGGUO XINWEN SHE
in Chinese 1203 GMT 22 Nov 90*

[Report: "Li Zhaoxing Says that China Has Not Offered Any Military Assistance to Cambodian Resistance Forces"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 22 Nov (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Li Zhaoxing stated here today that since the five permanent member states of the Security Council came up with the five documents concerning the Cambodian problem,

China has not offered any kind of military, including arms, assistance to Cambodian resistance forces.

Li Zhaoxing made the above statement when answering a reporter's question at the news conference held at a hotel in the capital.

Asked to comment on Prince Sihanouk's intention to let Hun Sen be first vice chairman of the Cambodian Supreme Council, Li said, at present the most urgent thing in the Cambodian problem is that all sides act in accordance with the documents formulated by the five U.N. Security Council permanent member states, and the Jakarta joint declaration of the four Cambodian sides: As quickly as possible elect Prince Sihanouk chairman of the Cambodia Supreme Council so that the council can eventually be established and start normal operation.

As to whether there will be a vice chairman, the number of vice chairmen and who should be the vice chairman, Li Zhaoxing said that this should be resolved through consultation among all Cambodian sides under the auspices of the council. China will respect the consensus reached by the four Cambodian sides.

Comments on Thatcher's Resignation

*OW2311124190 Beijing XINHUA in English
1223 GMT 23 Nov 90*

[Text] Beijing, Nov 23 (XINHUA)—Mrs. Margaret Thatcher had made positive contributions to the development of Sino-British relations and especially the settlement of the Hong Kong issue during her tenure as British prime minister, a Chinese Foreign Ministry spokesman said here today.

The spokesman made the remarks when asked to comment on Mrs. Thatcher's resignation.

He said that whoever takes the post of the British prime minister, China hopes the Sino-British relations will further develop from where they are.

He added that China also hopes the Sino-British joint declaration on the Hong Kong issue will be implemented earnestly. "This is not only in keeping with the fundamental interests of the Chinese and British people but also conducive to world peace and stability," he said.

'Roundup' Views European Security Conference

*OW2211210690 Beijing XINHUA in English
1556 GMT 22 Nov 90*

["Roundup by Yang Qi: Europe Mingled With Prospect, Worries"—XINHUA headline]

[Text] Paris, November 21 (XINHUA)—The three-day 34-nation summit of the Conference on Security and Cooperation in Europe (CSCE) closed today after signing the "Charter of Paris for a New Europe."

declaring that "the era of confrontation and division of Europe has ended" and "Europe is liberating itself from the legacy of the past."

Just before the summit started, 22 nations of NATO and the Warsaw Pact issued a statement in Paris saying they are no longer "adversaries" and will establish "a new relation of partnership."

Europe, affected by two world wars and the cold war, is now witnessing the break-up of Yalta and entering a period of possible instability.

Europeans hope the summit will be a meeting of "carrying forward the cause and forging ahead into the future." But the blueprint of a new "mansion of Europe" has yet to be mapped out by the summit.

The participants stressed the three results of the European development, which involve the break-up of the Yalta setup, German reunification and the signing of the conventional forces disarmament treaty between the two military blocs. These achievements are generally welcomed by the Europeans, the participants added.

However, the future "integrated, free, democratic, peaceful and prosperous" Europe described by heads of states attending the summit is more of a wish than a blueprint. The "Charter of Paris for a New Europe" does not give the shape and structure of the European mansion as a whole, not even the security structure which it is based on.

The Soviet Union favors a simultaneous transformation of NATO and the Warsaw Pact, which involves the merging of the two organizations into one belonging to the CSCE.

But United States President George Bush and British Prime Minister Margaret Thatcher maintain that NATO is irreplaceable. Mrs. Thatcher said that it is impossible that NATO would further cut its defensive forces because, she said, security depends on a powerful defense inclusive of nuclear weaponry.

Meanwhile, smaller European countries call for greater strides on disarmament. Swedish Prime Minister Ingvar Carlsson pointed out that even if the disarmament treaty signed at the summit is implemented, the remaining armed forces and weaponry in Europe will still surpass the need of conventional defense.

One of the vital elements concerning European security and future is the German issue. People inside and outside the CSCE can easily feel the prevailing awe and doubts over the newly unified country.

German Chancellor Helmut Kohl seemed to be well prepared for such feelings. He spoke at the summit by stating in a modest tone that Germany has been learning the lesson from history that Europe, particularly Germany, was once the center of a disaster worldwide.

While the threat of military conflicts within and outside CSCE has apparently reduced, the summit indicated an increasing possibility of economic friction. Speakers at the conference almost unanimously stressed economic cooperation among member states, regarding it important for preventing political fluctuation which could stem from an imbalance in economic development.

It is noticeable that the summit from beginning to end was overshadowed by the Gulf crisis. Most leaders expressed their anxiety over the issue. The possibility and feasibility of using military force against Iraq dominated bilateral meetings of the leaders outside the summit.

Relations With European Community Viewed

HK2111092490 Beijing ZHONGGUO XINWEN SHE
in Chinese 0533 GMT 20 Nov 90

[Roundup by Li Wei (2621 0251): "Sino-European Relations Viewed From the European Community Resolution"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 20 Nov (ZHONGGUO XINWEN SHE)—At the Luxembourg meeting on 22 October, 12 foreign ministers from the European Community decided to resume relations with China. One month later, that is, on 22 November, Francisco Fernandez-Ordonez, Spanish foreign minister, will depart for a three-day trip to Beijing, and he will be the first foreign minister from a West European country to visit China since June of last year.

These two incidents have some clear symbolic meaning, and can be viewed as a turning point, just as some Western diplomats said: This indicates that countries in the West will gradually drop their measures for isolating China.

This is precisely the fact. Three days after the European Community decided to resume relations with China, Pierre Beregovoy, French minister of economy, finance and budget, announced France would resume talks on providing governmental loans to China; on 30 October, the German parliament approved resuming the provision of development aids and export credit guarantees to China. According to information, some West European countries are preparing to resume meetings of the joint Committee for Bilateral Economic and Trade Relations With China.

In fact, since the beginning of this year, the relations between West European countries and China have been eased to varying degrees. The senior government officials from some countries, such as (Botayi) [0590 1044 0122], general secretary of Italy's foreign ministry; Francis Maude, British Foreign Office minister; and (Lenggeer) [0397 2706 1422] secretary of state of West Germany's Ministry of Economic Cooperation, have visited China. Among the responsible persons of various parliaments who have visited China are (Lekaniai) [0519

0595 1441 1002], chairman of French Senate Commission of Foreign Affairs, Defense and Armed Forces; (Shiteerken) [2457 3676 1422 5146], chairman of West German Parliament's Foreign Affairs Committee; (Sikedi) [2448 4430 5536], chairman representing the Christian Democratic Party in Italy's Chamber of Deputies; and Mankel Marshall and Tom Cox, respectively chairman and vice chairman of the delegation of British MPs in the Inter-Parliamentary Union, etc. In addition, several dignitaries such as Helmut Schmidt, former West German chancellor; Raymond Barre, former French prime minister; and Lord Young, former British secretary of state for trade and industry, have visited Beijing.

At the same time, Zheng Tuobin, China's minister of foreign economic relations and trade; Tian Zenpei, China's vice foreign minister; and many other officials at or above vice ministerial level have visited the countries in Western Europe. In particular, at the 45th UN General Assembly meeting in September, Foreign Minister Qian Qichen met the "three carriages" of the European Community (that is, the foreign ministers of the last, current, and next chair of the Council of Ministers: Ireland, Italy, and Luxemburg), as well as the foreign ministers of more than 10 West European countries including Britain, France, and Germany, extensively changing ideas on bilateral relations and on major international problems, and creating a good atmosphere for restoring and improving the relations between China and Western Europe.

In addition, according to our information, many West European countries have one by one restored the provision of export credit guarantee and the originally agreed governmental loans to China, and some even added additional amounts of money, while some have resumed the meeting of joint committee for bilateral trade and economic relations. Many dignitaries in trade and economic circles and many delegations of entrepreneurs from large enterprises have come to China.

The improvement and development of friendly relations between China and Western Europe is undoubtedly beneficial to both sides, and there is a good foundation to do this.

Politically, there is no direct conflict of interest between China and Western Europe, while both sides hold identical or similar view on some major international problems, and in particular, under the rapidly changing and complicated international conditions at this moment, it is all the more necessary to strengthen contacts and discussion between both sides.

Economically, China and Western Europe are important trade partners. Although last year's Beijing storm has an impact on trade, the total import and export trade volume between China and West European countries last year still reached \$15.8 billion, second to that between China and Japan. Of course, due to the sanctions against China, some Western European countries experienced comparatively big decreases in trade with

China. French experts estimated that France's export to China decreased 25 percent. Here, we can see how important it is for both sides to maintain and develop friendly and cooperative relations. On the other hand, the economic and trade relations between both sides are of a mutually supplementary nature; Western Europe's large facilities and technologies in the area of energy, communication, transport, and chemical industry are needed by China, while China's agricultural products, electric appliances, exquisite handicrafts, and light industrial goods are welcome in Western Europe, furthermore, any persons with insight will not easily give up the huge market in China. Starting from next year, China will begin its Eighth Five-Year Plan, which will provide a new chance for developing cooperation between both sides.

Naturally, China differs from West European countries in social system and value, and there have been some different opinions, however, so long as both sides observe the principle of mutual respect, mutual benefit on equal footing, and seeking unanimity and allowing differences, the friendly and cooperative relations between China and Western Europe can be further developed, and people have reasons to be optimistic about this.

Article Views European Military Balance Treaty

HK2211100490 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Nov 90 p 6

[Article by staff reporter Zhang Qixin (1728 0796 2500): "A Treaty Aimed at Maintaining an Arms Balance in Europe"]

[Text] Washington, 19 Nov (RENMIN RIBAO)—After 20 months of intensive negotiations, a treaty with the aim of maintaining an armament balance in Europe was finally signed on 19 November before the opening of the Paris summit of the Conference on Security and Cooperation in Europe [CSCE]. This treaty on disarmament of conventional forces in Europe [CFE] concerns the conventional armament of 22 members of the two major military blocs, NATO and the Warsaw Pact. It demands that both military blocs reduce the quantity of the several major conventional arms they have in hand to an equal level in three years, thus ensuring neither side can launch a shock attack on the European continent. The press holds that this treaty has mitigated to a certain extent the tension and confrontation in Europe as compared with the sharp military confrontation between the two blocs in the past, and this is no doubt favorable to the efforts for peace in Europe.

Europe was the region that witnessed the sharp confrontation between the East and the West after the war. Both sides have massed a large number of troops, conventional arms, and nuclear arms in this region. According to the data provided by NATO in early 1989, the two military blocs had deployed more than 5 million-strong military forces, 80,000 tanks, more than 60,000 cannons, and 20,000 airplanes in Europe. As stipulated by the

present agreement, the 16 NATO states on the one side and the six Warsaw Pact members on the other shall reduce the number of their tanks, armored vehicles, cannons, combat planes, and attacking helicopters to an equal level on the vast European continent stretching from the Atlantic coast to the Urals.

It is widely believed that the Soviet Union outstrips its rival in the quantity of troops and conventional arms in Europe. Therefore, in compliance with the limits set by the treaty, the Soviet Union will have to reduce and destroy its tanks, combat vehicles, aircraft, and cannons by tens of thousands in the next three years. As for NATO, since the quantity of its arms is close to the limits set by the treaty, the number of weapons it will have to cut and destroy will be quite small. The press noted that the concession on the part of the Soviet Union was the very factor contributing to the rapid progress in the disarmament talks. Analyses by specialists point out that the Soviet Union made the substantial concession based on the consideration: in the wake of the dramatic change in Eastern Europe, the Soviet Union has adjusted its Europe policy, which has led to the Soviet Union's unilateral withdrawal of military forces and armament from Eastern Europe. The Warsaw Pact is in fact about to disintegrate, and the development of the situation has outpaced the negotiation process. The present treaty is actually a document which serves to nail down what has already happened in a legal form. To seek an early conclusion of a disarmament agreement, both sides have adopted a "flexible" attitude in the negotiations. The Soviet side's bargaining power has been weakened in consequence of the loss of control over East European countries and the economic and political problems at home.

The press here noted the apparent limitations of the treaty. In the first place, the quantitative limits set by the treaty are still very high and the treaty is only valid for certain categories of arms. Since these arms are readily movable, the balance achieved will be less stable. In the next place, the treaty contains no provisions limiting the quantity of U.S. and Soviet troops deployed abroad and has sidestepped some controversial issues on armament. Therefore, for the time being, it is hard to predict what kinds of obstacles the following stages of the European disarmament talks will encounter.

Statistics Show Increase in Foreign Trade

OW1811082090 Beijing XINHUA in English
0657 GMT 18 Nov 90

[Text] Beijing, November 18 (XINHUA)—China's Seventh Five-Year Plan Period (1986-1990) witnessed a rapid increase in foreign trade.

According to the State Statistics Bureau, the total volume of import and export trade is expected to reach 108 billion U.S. dollars this year, 55.2 percent more than in 1985, for an annual increase of 9.2 percent in the five-year period.

Of this, the export volume is expected to reach 57 billion U.S. dollars for an annual rise of 15.8 percent, while that of imports will reach 51 billion U.S. dollars, for an annual increase of 3.8 percent.

The rise in foreign trade is attributed to reform measures put into practice in the foreign trade system, the restructuring of import and export commodities, the introduction of the contract system and increases in the number of foreign-funded export-oriented enterprises.

According to earlier statistics, the export volume in the first ten months of this year was 47.25 billion U.S. dollars, 15.7 percent more than the year-earlier period, while the volume of imports was 41.5 billion U.S. dollars, a drop of 13.5 percent from the previous year.

Export commodities registering large increases include textiles, garments and electrical machinery; imports that have increased remarkably include chemical fertilizer, pesticides and crude oil. The import of such commodities as cigarettes and durable consumer goods, and especially cars, registered a big drop.

According to the bureau, China's nine-biggest trading partners are Hong Kong, Japan, the United States, Germany, the Soviet Union, Singapore, Britain, Canada and France.

A foreign trade official attributed the drop in the country's imports to the restrictions imposed by some Western countries on their export of technology, which made it difficult to conclude big deals. The halting of new governmental loans also weakened the competitiveness of their products exported to China, he added.

Other factors contributing to the drop in imports include China's policies of tightening the money supply, slashing back the capital construction scale and readjusting the foreign exchange rate.

The Chinese Government has time and again reiterated that China will not resort to trade protectionism. And so long as there is a basic balance in its international payments, China will import more as the country needs a large amount of technologies and equipment and other materials to sustain its modernization efforts. The drop in imports is only temporary, it has stressed.

Industry Ministry Recognizes Foreign Scientists

OW2011191190 Beijing XINHUA in English
1531 GMT 20 Nov 90

[Text] Beijing, November 20 (XINHUA)—Professor S.T. Chang from the Chinese University of Hong Kong, and Hannu Vapaamies from the Valmet Corp of Finland have won 1990 International Co-Operation Awards established by China's Ministry of Light Industry.

Zeng Xianlin, minister of light industry, presented the award medals and certificates to the winners at a ceremony held here today.

Chang, now the dean of the Biology Department of the Chinese University of Hong Kong, has provided China with great help in mushroom breeding and cultivation techniques.

Hannu Vapaamies, the vice-chairman for strategic and development of Valmet Corporation, has played a vital role in the development of the Valmet-Xian Paper Machinery Co Ltd. The establishment of the company marks the first large scale joint venture in light industrial equipment manufacturing, and Vapaamies has extended great efforts in training Chinese to master Finnish techniques.

Valmet-Xian can produce paper machines five meters in width and capable of speeds reaching 800 meters per minute. This production capability ends China's reliance on the importation of high speed paper machines.

Vapaamies said that he will continue to co-operate with China, and that by doing so will help not only to promote China's modernization, but also promote a prosperous Asia.

Zeng Xianlin said that China will begin to carry out the Eighth Five-Year Plan (1991-1995) next year. He said that the Ministry of Light Industry will further conduct international personnel exchanges, will invite more foreign experts to China, and will send technical and managerial personnel abroad for training.

World Bank To Grant Tuberculosis Prevention Loans

SK2011114390 Harbin HEILONGJIANG RIBAO in Chinese 7 Oct 90 p 1

[Text] The World Bank will grant loans to the province's tuberculosis prevention and curing projects. On the morning of 6 October, at the office of the provincial government, Vice Governor Dai Moan met with the infectious disease survey team of the World Bank.

Headed by Mr. Peng Gyana [name as published], this eight-member team conducted a week-long survey of the province's tuberculosis prevention and cure hospitals and centers, as well as the tuberculosis prevention and cure situation in Lanxi, Binxian, and Shuangcheng beginning on 29 September. While reporting the survey and appraisal results to Vice Governor Dai Moan, this survey team highly praised the province for its policy of earmarking 1 million yuan annually for giving free medical treatment to poverty-stricken tuberculosis patients. The survey team also affirmed the province's large-scale decline in the incidence of tuberculosis.

During the reception, Vice Governor Dai Moan expressed that the province is confident of pushing the tuberculosis prevention and cure work onto a new level in coordination with the World Bank.

Soviet Union

Reportage on Shevardnadze-Qian Meeting

Arrives in Urumqi

OW2311044890 Beijing XINHUA Domestic Service in Chinese 0351 GMT 23 Nov 90

[By reporter Chai Shikuan (2693 0013 1401)]

[Text] Urumqi, 23 Nov (XINHUA)—Soviet Foreign Minister Shevardnadze flew to Urumqi, a city in western China, this morning to hold talks with Chinese Foreign Minister Qian Qichen on the Gulf situation.

The special plane carrying Shevardnadze landed at the Urumqi International Airport at 0915. Qian Qichen, who made a special trip from Beijing last night, warmly shook hands with him and welcomed him in Russian. Shevardnadze said "Thank you!" several times.

Welcoming Shevardnadze at the airport were also Yasufu Muhanmode, vice chairman of Xinjiang Uygur Autonomous Region, and Soviet Ambassador to China Solovyev.

The talks between the foreign ministers are scheduled to begin at 1100 at the autonomous regional guesthouse. The autonomous regional party committee and government will give a welcome luncheon to the Soviet guest at noon.

Talks Begin

HK2311034490 Beijing XINHUA in English 0340 GMT 23 Nov 90

["Chinese, Soviet Foreign Ministers Begin Talks in Urumqi"—XINHUA headline]

[Text] Urumqi, November 23 (XINHUA)—Chinese Foreign Minister Qian Qichen and his Soviet counterpart, Eduard Shevardnadze, began their private talks here this morning.

They were each accompanied by an aide and an interpreter.

Sources said that more officials will join in the talks later.

The Soviet foreign minister flew into Urumqi earlier this morning.

Participants Listed

LD2311114190 Beijing XINHUA in English 0409 GMT 23 Nov 90

["Start of Talks between PRC and USSR Foreign Ministers"—XINHUA headline]

[Text] Urumqi, 23 Nov (XINHUA)—Talks between PRC Foreign Minister Qian Qichen and USSR Foreign Minister E. Shevardnadze with limited participation

began at 1100 today at the guest residence. The following participated in the talks: from the PRC side—Xiu Anqan, director of the PRC Foreign Ministry Soviet and European Department; from the Soviet side—Tarasenko, ministerial aide and chief of the USSR Foreign Ministry Evaluation and Planning Administration, and also Chinese and Soviet interpreters.

According to a PRC Foreign Ministry official, these talks will be followed by further talks with broader participation, in which more officials of both sides will take part.

Gulf Discussed

HK2311062490 Beijing XINHUA in English
0615 GMT 23 Nov 90

["China, USSR Urge Iraq To Pull Out of Kuwait"—XINHUA headline]

[Text] Urumqi, November 23 (XINHUA)—Both China and the Soviet Union today voiced their opposition to Iraq's invasion of Kuwait and urged Iraq to withdraw from Kuwait as soon as possible.

This is the consensus of views reached during the private talks between Chinese Foreign Minister Qian Qichen and his Soviet counterpart Eduard Shevardnadze here today.

After the 90-minute private talks, Qian Qichen said that he and the Soviet foreign minister had exchanged views on the Gulf crisis and shared many points in common.

He said, "Both sides are firmly opposed to Iraq's invasion and annexation of Kuwait and demand that Iraq withdraw from Kuwait as soon as possible in accordance with the series of U.N. Resolutions."

Taking part in the talks that followed the private session were foreign ministry officials of the two countries.

Sources said that today's Qian-Shevardnadze session is the fourth one between the two foreign ministers. Their first meeting was in April when Qian accompanied Chinese Premier Li Peng on his Soviet tour, the second meeting took place in China's Harbin in September, and the third one materialized in New York last month.

Visit Viewed

HK2311100190 Hong Kong HSIN WAN PAO
in Chinese 23 Nov p 1

["New Talk" column: "Chinese and Soviet Foreign Ministers Hold Talks in Xinjiang"]

[Text] The Soviet Embassy in Beijing disclosed yesterday that Soviet Foreign Minister Shevardnadze will arrive today in Urumqi, China's famous city in the northwest, to hold talks with Chinese Foreign Minister Qian Qichen over the Gulf crisis.

Shevardnadze has already met with Qian Qichen this September in Harbin on his way to Korea and Japan.

Their sudden meeting in Urumqi this time shows that they must have something special and urgent to discuss.

Regarding their recent contacts with other countries, Qian Qichen has just completed his trip to four Middle East countries. After meeting with U.S. Secretary of State Baker in Cairo, he went to Iraq and had face-to-face talks with Saddam Husayn, the major character in the Gulf crisis. He then went to Saudi Arabia to convey a message. Earlier this week Shevardnadze and Gorbachev attended the CSCE meeting in Paris. Outside the meeting, the U.S. and Soviet heads of state and foreign ministers held discussions on the Gulf crisis.

It is said that Shevardnadze's trip to Urumqi is aimed at discussing how both sides should respond to the U.S. proposal on using force against Iraq, which the United States will put to the U.N. Security Council.

At yesterday's news briefing by China's Foreign Ministry spokesman, some reporters asked about Shevardnadze's visit and the answer can roughly be summarized as follows: First, no comment was made on the meeting in Urumqi. Second, no proposal on the use of force has yet been put forward to the U.N. Security Council by any country. (This means that no opinion can be expressed before the proposal is put forward.) Third, China hopes that the Gulf crisis can be resolved by peaceful means and that, under these circumstances, they should not give up when there is still a ray of hope. In fact, the spokesman has already expressed the opinion very explicitly.

Sources reveal that President Bush's trips, as well as Secretary of State Baker's previous visits to the Middle East and Europe, are meant to persuade relevant countries to support the proposal on using force against Iraq when the United States puts it forward to the U.N. Security Council.

When inspecting the U.S. troops in Saudi Arabia yesterday, Bush told reporters that the United States is prepared to lodge a petition to the United Nations before 30 November on taking military action. That date is only one week from now. The reason the United States is making such arrangements is because the U.S. delegate is chairman of the U.N. Security Council. The chairmanship at the sessions will be favorable to the United States.

Regarding the plan to use force, it is still unknown whether China and the Soviet Union will abstain from voting as they have always done, or whether they will use their power to veto the proposal. Some people say that Shevardnadze's meeting with Qian Qichen this time is aimed at seeking concerted action. Nevertheless, no one knows what they are going to do until the proposal is put forward to the U.N. Security Council. Relevant diplomatic contacts over this matter are increasing.

Southeast Asia & Pacific

Vietnam Said 'Uncooperative' Over Cambodia

HK2211090490 Hong Kong HSIN WAN PAO
in Chinese 22 Nov 90 p 1

["New Talk" column: "China Urges Vietnam To Show Sincerity in Handling Political Situation in Cambodia"]

[Text] The French Foreign Ministry spokesman announced that a conference on the Cambodian issue will be held in Paris on 23 and 24 November. The Indonesian and French representatives, twin conference chairmen, and representatives from the United States, the Soviet Union, China, and Britain, all members of the UN Security Council, will attend the conference.

Prince Sihanouk, Cambodian president [jian bu zhai zhu xi 2687 1033 1571-31 1598], arrived in Paris yesterday to attend the conference and hold political consultations with relevant parties to seek a political solution to the Cambodian issue.

The purpose of the current conference is to make preparations for reconvening an international conference on the Cambodian issue and deliberate on the relevant documents drafted in Jakarta on 10 November. The scope of this international conference will be larger and, in accordance with past practice, the four Cambodian parties, Vietnam, and Thailand will attend.

In light of mediation by various parties and the resolution reached by the four Cambodian parties, the current situation is that a Supreme National Council will be set up, comprising a total of 12 members, including six from the Phnom Penh regime and two from each of the three anti-Vietnamese Cambodian forces. Moreover, there will be a chairman of the supreme council and all parties maintain that it would be most suitable for Prince Sihanouk to assume this office.

The Phnom Penh regime, however, has always tried to make obstructions or has demanded that its prime minister, Hun Sen, and Prince Sihanouk take turns in assuming the chairmanship or that Hun Sen assume vice chairmanship of the supreme council. To date, the supreme council has not yet been formed or started work because of disputes over candidates for chairman.

It is noteworthy that Indonesian President Suharto and Thai Prime Minister Chatchai visited China prior to the conference being held in Paris tomorrow. Apart from bilateral relations, they also focused their discussions on the Cambodian issue. All three countries maintained that the four Cambodian parties must elect a chairman for the supreme council at an early date, namely Prince Sihanouk, so that the council can start work immediately.

The leaders of the Chinese Government further stated that when Prince Sihanouk assumes chairmanship of the council, China will have no objection to the election of

vice chairmen to the council, regardless of the number, so long as an agreement is reached by the four Cambodian parties.

When commenting on the current Sino-Indonesian and Sino-Thai talks, XINHUA News Agency pointed out that the current exchange of views will be very useful to continued close coordination and cooperation between the three countries. Undoubtedly this will be conducive to accelerating the process of a political settlement of the Cambodian issue.

During the talks, a Chinese leader also mentioned the international conference on Cambodia and insisted that the most important thing was that Vietnam and the Phnom Penh regime must show their sincerity. We cannot say that Vietnam has not made any efforts, he said. Viewed from the practical results, however, the efforts made on the question of Prince Sihanouk assuming chairmanship of the Cambodian Supreme National Council are far from sufficient. We express our regret about the uncooperative attitude adopted by the Phnom Penh regime.

It was reported some time ago that Vietnamese party and government leaders Nguyen Van Linh and Do Muoi visited China and met with Chinese leaders secretly in an attempt to improve relations between the two countries. The Chinese side has clearly stated that Sino-Vietnamese relations can be normalized so long as Vietnam handles the Cambodian issue properly.

After concluding his China visit, Indonesian President Suharto arrived in Hanoi to hold talks with Vietnamese leaders. He will also pass on to Hanoi the messages from China's leaders. Following the Paris conference, an international conference on a comprehensive political settlement of the Cambodian issue will be held. How Vietnam handles the issue at that time will have a bearing on the Cambodian situation as well as on the development of its relations with China and the ASEAN nations.

Potential of Sino-Australian Economic Ties Noted

OW2211085290 Beijing XINHUA in English
0804 GMT 22 Nov 90

[Text] Beijing, Nov 22 (XINHUA)—Chinese Communist Party (CPC) leader Li Ruihuan today said Sino-Australian economic cooperation enjoys a broad prospect.

Li, a Standing Committee member of the Political Bureau of the CPC Central Committee, made the remark here today while meeting with a delegation from the Australian Liberal Party, headed by Alexander Downer, shadow minister for trade and trade negotiations.

In the meeting, Li and Downer agreed that enormous potential exists for expanding the economic cooperation between China and Australia, according to a Chinese official.

Li said bilateral economic cooperation will bring benefit to both sides, who should therefore explore further possibilities in this regard.

Downer said the Liberal Party attaches importance to Australia's relations with China and believes that China can play an important role in developing cooperation in the Asia-Pacific region.

He described the main purpose of their current visit as promoting a long-term cooperative relationship in economics and trade between the two countries

Near East & South Asia

Qian Interviewed on Gulf Crisis in Beijing

PM2111153090 Jeddah AL-MADINAH in Arabic
8 Nov 90 p 7

[Interview with PRC Foreign Minister Qian Qichen by 'Abd-al-Razzaq al-Sanusi in Beijing; date not given]

[Text] Chinese Foreign Minister Qian Qichen's visit to the Kingdom within the framework of his tour which included Baghdad, Cairo, and Jordan is of special importance. This is because China is a permanent member of the UN Security Council. In addition to its international status, it is making diplomatic efforts to secure a peaceful settlement of the Gulf crisis resulting from the Iraqi invasion of Kuwait against the other available options to end the critical situation, and primarily the military option.

Qian Qichen's visit to the Kingdom is his second, since he previously visited it 21 July. At the end of that visit the establishment of diplomatic relations between the Kingdom of Saudi Arabia and the PRC was announced. As a result, representation between the two countries was raised from the trade mission level to the ambassadorial level. Trade representation continued for nearly two years. This is why Mr. Qian's present visit will be of special importance, because of the two countries' eagerness to strengthen their relations and arrive at views that will help to end the Gulf crisis.

AL-MADINAH conducted a wide-ranging interview with the Chinese foreign minister, who was Chinese ambassador to the United States and who also held a number of important posts and is currently the president of the Chinese People's Society for Friendship with Foreign Countries.

[Al-Sanusi] Some people suspect that there are contacts between Iraq and China. What truth is there in this?

[Qian] If any crisis in the world requires contacts, there need not be any reason to cast doubt on the positions of some of the states involved to it. With regard to the present crisis in the Gulf, there is no reason to cast doubt on China's position, because its position is directly linked to a unified position in the Security Council.

Therefore it is not in China's interests to deviate from that line, especially as it is aware of how dangerous this is.

With regard to Iraq, our relations with it cannot cause embarrassment for other states in the region, because China prefers to maintain relations with all parties, and not just one party, no matter how important is is. When an Iraqi official visits China or a Chinese official visits Baghdad it does not mean that we are for or against that country. We are against usurpation, repression, and injustice. Whatever may have been said, we are obviously confident of our position and our ability to save our country's face at all times.

[Al-Sanusi] How do you view the kingdom's position on the gulf crisis?

[Qian] China and the Kingdom are not now as they used to be in the past, and relations will remain strong and are developing in both countries' interests. With regard to the kingdom's position on the crisis and its call for fraternal and friendly states to repulse any treacherous aggression against it, it is a legitimate demand and right which no one is entitled to question or discuss with it. This is because Saudi Arabia, like the other world states, is free to do whatever it deems right to safeguard its territory and sovereignty. We in China did not hesitate to express our position. In fact we supported it and regarded it as a natural right and a duty. I do not believe that anyone would say anything else unless he is deceitful in that regard. We are unfamiliar with, and do not use, this method.

[Al-Sanusi] Do you expect war to break out soon?

[Qian] Peaceful solutions to the situation in the Gulf are still being sought, though they have been attacked and are still confined within narrow and critical channels. But I state quite frankly that Iraq must immediately withdraw from Kuwait without any preconditions or promises, because all indications are that its continued presence in Kuwait entails its moving into a dark and dismal tunnel, despite the equipment and the so-called war machine that it possesses. It must realize that world is developing and the situation is worsening. And as you and everyone else can see, time is not on Iraq's side. At the same time, I do not believe that anyone would agree to drive himself into a ravine or throw himself into Iraq's arms in return for things that could vanish at any moment—today, tomorrow, or the day after tomorrow.

[Al-Sanusi] But do you believe that Iraq will succeed in splitting European unity over the Gulf crisis?

[Qian] You ask about the unknown, forgetting that the world's states are examining these questions very carefully. What position can Iraq take to split the unity or consensus on world security and stability, when we know that much of the world's oil supplies come from the Gulf region. In this regard there are roles which every state

plays within its own environment and under strict control. As for splitting these states' position, that is merely a dream.

[Al-Sanusi] What is your view of the game of the Western and other hostages, and will it be an effective weapon?

[Qian] The past days have proved exactly the opposite. And if France has freed its hostages, that does not mean that it has come to an agreement with Iraq on the things that it wants. Informed people say that the Iraqis liked some of France's views. But France is still France and has not changed. With regard to that game, it is not a clever one and is inevitably a losing one. The best proof of this is that Iraq has started to dismantle it in a way that has angered the world, especially after its harassments in the embassies in Kuwait.

I say again that this game will end and that while Iraq sees with one eye, the world looks at its interests with many eyes. So who do you think sees better? Undoubtedly the situation will eventually be in favor of the oppressed, no matter how long it takes.

[Al-Sanusi] Your excellency, can you tell us how relations between China and Saudi Arabia began, since you were the first Chinese official to follow them step by step?

[Qian] I am pleased to say that I contributed considerably to the process of establishing diplomatic relations between the PRC and the Kingdom of Saudi Arabia. At this time I recall that the contacts started for the first time between the two governments at the 1955 Bandung conference, when His Majesty King Faysal Bin-'Abd-al-'Aziz met with His Excellency Chou En-lai, chairman of the State Council.

Then the more important step started when I was appointed ambassador to the United States in the mid-eighties. Not long after I began working there I met with His Highness Prince Bandar Bin-Sultan Bin-'Abd-al-'Aziz, Saudi ambassador to Washington. Then contacts continued between us and in fact we started discussing ways of strengthening, enhancing, and developing relations between our two countries. These contacts resulted in a visit to China by His Highness Prince Bandar. Not long after that visit a Saudi economic delegation came to China. The delegation and the talks which it held with the Chinese delegation in Beijing paved the way for trade and economic contacts between Saudi Arabia and China. Then the Kingdom welcomed a visit to the kingdom by Chinese journalists who happened to be in the Middle East at the time. These journalists wrote several articles on their visit to the kingdom, and I recall that one of them wrote six articles on his impressions of the development and prosperity that he saw in the Kingdom, citing activities in all fields of life.

After that visit I met with Prince Bandar and signed a joint agreement between the two countries to establish two trade offices in Riyadh and Beijing in 1988, in

November that year. The two sides regarded it as a first step toward developing the staunch relations between the Kingdom and China. It was also regarded as an important transitional period for establishing diplomatic relations between the two countries.

[Al-Sanusi] What happened after you returned from the United States?

[Qian] After I returned from the United States to Beijing in August 1989 I was appointed chairman of that Society [the Chinese People's Society for Friendship with Foreign Countries]. And fortunately I met with His Highness Prince Bandar again last July during another visit to Beijing. We considered each other old friends. Then the Chinese foreign minister visited the Kingdom of Saudi Arabia 21 July 1990 during which diplomatic relations were established between the Kingdom and China. And the two developing countries are working to raise both peoples' living standards.

[Al-Sanusi] Can you explain the most important points on which the agreement and cooperation between China and the Kingdom was based?

[Qian] These relations were built on solid ground—first and foremost, the two countries' opposition to the Israeli occupation of the Arab territories—and there is a common viewpoint on the present Gulf crisis. Although China is not an OPEC member state, there is cooperation between China and Saudi Arabia in the field of oil production and export. I always spoke with His Highness Prince Bandar about that subject, and he realizes China's need for Saudi oil and its by-products. Furthermore, the balance of trade between the two countries is steadily increasing within the framework of trade, since China needs oil and at the same time it meets the Kingdom's needs from China. As for the Islamic field, in past years thousands of Chinese Muslim pilgrims have visited the holy places in the Kingdom to perform the rite of pilgrimage, and I look forward to developing these relations between the two countries now that diplomatic representation has been raised to the ambassadorial level. I also believe in increasing contacts in order to develop relations in the future, and I personally have received an invitation to visit the kingdom and will visit soon. Although I have not visited the kingdom before, I am acquainted with the progress in the various fields and the huge achievements in the economic field which benefit the Saudi people. Despite the Kingdom's huge desert area, there is tangible progress in the agricultural field. The Saudi state has been eager to concentrate on wheat production, and wheat is now available in abundance and is exported by the Kingdom to foreign countries. The government also supports farms and farmers. The Kingdom also has large industrial areas and there is considerable progress in the sport and youth fields.

[Al-Sanusi] Some people fear for relations between your country and the Kingdom [of Saudi Arabia] because of the Gulf crisis.

[Qian] I personally am confident that nothing can harm the development of relations between the kingdom and China, because, as the proverb says, real friendship emerges only at times of trouble. With regard to the Security Council, China voted for strong resolutions which are all unreservedly supported by China. We also express our understanding of the measures taken by the kingdom to protect and safeguard its territory and people. In my view, relations between the kingdom and China will develop and improve.

[Al-Sanusi] But some observers have hinted that Iraqi officials' frequent visits to China could change China's position toward conditions in the region.

[Qian] China is committed to the Security Council resolutions and will implement them.

West Europe

XINHUA Comments on Thatcher's Resignation

HK2311032990 Hong Kong MING PAO in Chinese
23 Nov 90 p 2

["Zhou Nan Believes That China and Britain Will Continue Their Friendship and Cooperation Despite Mrs. Thatcher's Resignation"]

[Excerpt] [passage omitted] Zhou Nan, director of the Hong Kong branch of XINHUA, holds that Mrs. Thatcher's resignation will not affect the implementation of the Sino-British Joint Declaration and believes that the Chinese and British Governments will continue their friendship and cooperation.

Before attending the ball to mark the 90th anniversary of the founding of the Hong Kong Chinese Chamber of Commerce last night, Zhou Nan declared that as he had not read Heseltine's political program and his policy speeches, he could hardly predict Heseltine's chance of becoming a successor to the party chief, but maintained that any new government should continue friendship and cooperation with China and would surely strictly carry out the commitments in compliance with the Sino-British Joint Declaration. If Heseltine assumes power, this is merely a personal matter, because the international situation demands friendship and cooperation between China and Britain. [passage omitted]

News Summary Notes Thatcher Resignation

OW2211153290 Beijing XINHUA in English
1501 GMT 22 Nov 90

[Text] London—Britain's longest serving prime minister stepped down Thursday morning, thus ending an era called after her name in the 1980s in Britain.

London—British Foreign Secretary Douglas Hurd and Chancellor of the Exchequer John Major Thursday announced that they will stand for the conservative party leadership against former Defence Secretary Michael Heseltine.

Male, Maldives—Leaders of the seven countries attending the fifth South Asian Association for Regional Cooperation (SAARC) summit here began a day of private consultations Thursday.

Tokyo—The Japanese Government's Security Council generally agreed Thursday that the growth in Japan's next mid-term defense build-up plan should be scaled down in the face of easing East-West tensions.

Reportage on Visit by Spanish Foreign Minister

Makes Arrival Statement

LD2211113390 Madrid Domestic Service in Spanish
0700 GMT 22 Nov 90

[Text] [Announcer] Spanish Foreign Minister Francisco Fernandez-Ordonez arrived in the People's Republic of China from Paris to reinstate talks with Chinese leaders. Fernandez-Ordonez aims to reestablish bridges that were broken following the events in Tiananmen Square. A certain opening up that can be detected in the country's politics is permitting the resumption of contacts, above all establishing economic relations. Fernandez-Ordonez will also be briefing political representatives on the Paris summit agreements. A report on this from Spanish National Radio:

[Jimenez] Fernandez-Ordonez' visit to Beijing will deal with both political, bilateral, multilateral, and economic matters. It is the first visit by a [European] Community minister to Beijing since the events in Tiananmen Square in June last year. This means that both Spain and the EEC as a whole believe that something is beginning to change in China, according to statements in the early morning hours Spanish time by Francisco Fernandez-Ordonez on this arrival in Beijing.

[Begin recording] [Fernandez-Ordonez] We want not only to see, but to stimulate in some way the process of reforms in China. We think that there have been gestures in certain directions and we realize that all this takes time, but there is a process of political and economic reform which should continue. After all, yesterday three of the great centers of power of the [European] Continent, of the world, signed an agreement in favor of democracy—the Soviet Union, the United States, and Europe. One of the things I am going to do is brief the Chinese foreign minister—my good friend, we have known each other for some time—on what was approved in Paris. I will even be giving him the documents, both the treaty on arms reductions and the declaration that has just been signed. [end recording]

[Jimenez] Fernandez-Ordonez included in the objectives of this visit a desire that this huge country of over one billion inhabitants will slowly join the democratizing process embarked upon by Eastern Europe, which until recently had similar regimes to that still governing here; a desire too to normalize our bilateral relations.

[Begin recording] [Fernandez-Ordonez] First, the normalization of relations between China and Spain begins, and of course, between the European Community and Spain. This is the beginning of a political normalization. Second, relaunch economic and trade relations too which have been at a standstill over the past year. Third, have a series of meetings, with the economic, commercial, and financial authorities to analyze the finance mechanisms for Spanish trade in the next few years. [end recording]

[Jimenez] Foreign Minister Fernandez-Ordonez's visit to Beijing, besides relaunching our trade relations, will also permit a valuable exchange of information with his Chinese counterpart Qian Qichen. The Paris summit and the recent tour by the Chinese foreign minister of the countries directly affected by the Gulf crisis will be priority subjects in the talks he will have today. Moreover, tomorrow, Friday, Qian Qichen will meet with Eduard Shevardnadze somewhere on the Sino-Soviet border. The Spanish foreign minister could obtain first-hand information on this meeting because after it Qian Qichen will return here to Beijing where he will meet again with Fernandez-Ordonez.

Meets With Qian Qichen

OW2211140890 Beijing XINHUA in English
1242 GMT 22 Nov 90

[Text] Beijing, November 22 (XINHUA)—Chinese Foreign Minister Qian Qichen and his Spanish counterpart Francisco Fernandez-Ordonez held talks here this afternoon.

Ordonez is the first Western European foreign minister to visit China since the European Community (EC) decided to restore its relations with China last month.

Qian and Ordonez had a private 40-minute meeting before the talks to include other officials.

According to a Chinese Foreign Ministry official, the talks proceeded "in a friendly and sincere atmosphere."

Ordonez said that his visit to China means restoration and development of the political relations between Spain and China and also marks the improvement of the political relations between EC and China.

Qian expressed the conviction that Ordonez's visit will help further develop the two countries' relations on the existing basis.

The two sides exchanged views on strengthening political consultation, increasing high-level exchanges and developing economic and trade cooperation between the two countries.

Ordonez conveyed to Qian EC's desire to restore political, economic and trade relations with China.

Qian extended his welcome to this, saying that it will benefit both EC and China when they develop relations.

Both sides also exchanged views on the Gulf crisis, the Cambodian question and situation on the Korean Peninsula and in Europe.

Ordonez briefed Qian on the summit of the Conference on Security and Cooperation in Europe (CSCE) held recently in Paris.

Qian said China always concerns itself with the disarmament in Europe where weapons have been highly amassed since World War II. He said progress made in the recent summit in the reduction of conventional armaments in Europe is conducive to the peace and stability there.

However, he said, China also notices that there are still unstable factors in Europe. "We hope the course of CSCE will benefit European and world peace," Qian said.

After the talks the two foreign ministers, on behalf of their governments, signed an agreement of avoiding dual taxation.

Ordonez arrived Beijing this morning as Qian's guest.

CSCE, Gulf Viewed

LD2211233190 Madrid Domestic Service in Spanish
2200 GMT 22 Nov 90

[Excerpt] [passage omitted] Correspondent Rosa Jimenez Reports from Beijing:

[Jimenez] Fernandez-Ordonez explained the Paris summit to his Chinese opposite number, and he in turn explained the content of his recent tour of the countries most directly affected by the Gulf crisis, including his talks with President Saddam Husayn, a highly interesting subject since he is the only foreign minister of a country which is a permanent member of the Security Council who has done this. In addition to this privileged information, which Fernandez-Ordonez received here in Beijing today, will be that which Qian Qichen himself will provide on Saturday on the content of his talks with Eduard Shevardnadze, which will take place tomorrow in Urumchi on the Chinese-Soviet border. There is speculation of every kind about these talks, decided in the last few hours, although practically all the speculation agrees that they have a lot to do with an upcoming resolution on the situation in the Gulf, which the UN Security Council may even adopt next week.

[Begin Fernandez-Ordonez recording] The only thing I can say is that in general terms, Minister Qian supports all the resolutions—logically—of the Security Council, which China has supported and defended. He supports calls for an unconditional, unilateral withdrawal from Kuwait, calls for the release of all the hostages, and is in favor of using, of exhausting, all the possibilities for a peaceful solution. That is all I can say about the Chinese position, and I must not go any further, logically. [end recording]

Relations Discussed

*LD2211210990 Madrid in Spanish to Europe
2030 GMT 22 Nov 90*

[Text] Spanish Foreign Minister Francisco Fernandez Ordonez had talks today, the first day of his official visit to China, with his Chinese counterpart, Qian Qichen, who briefed him on his recent talks with Iraqi President Saddam Husayn. The Spanish foreign minister is the first European Community minister to visit this country since the lifting of sanctions imposed by the Community because of the bloody repression of students in Tiananmen Square last year.

After the talks Mr. Fernandez Ordonez said that China supports all the resolutions of the UN Security Council against Iraq, although both ministers agreed that the Arab way must not be abandoned as a possible solution to the conflict.

In addition, the Spanish foreign minister conveyed to his Chinese counterpart a message from the European Commission expressing the readiness of the Community countries to normalize and relaunch cooperation and relations with China, both in the economic and the political fields. Political opening up will be one of the subjects which Mr. Fernandez Ordonez will raise during the meeting which he will have with Prime Minister Li Peng on 24 November.

Meets With Zheng Tuobin

*OW2311083390 Beijing XINHUA in English
0801 GMT 23 Nov 90*

[Text] Beijing, Nov 23 (XINHUA)—Chinese Foreign Trade and Economic Relations Minister Zheng Tuobin met with Spanish Foreign Minister Francisco Fernandez-Ordonez here today.

They exchanged views on further developing the two countries' economic and trade relations.

Political & Social**Foreign Ministry Spokesman Denies Deng's Death***HK2211021590 Hong Kong MING PAO in Chinese
22 Nov 90 p 6*

[Report: "Zhou Nan Denies the Rumor That Deng Xiaoping Is Seriously Ill"]

[Text] The Chinese Foreign Ministry on Wednesday once again denied a report about Deng Xiaoping's death. A rumor that the 86-year-old Deng Xiaoping is seriously ill has been spreading in Beijing and some other Asian capitals for quite a while.

Replying to a reporter over the phone, a Foreign Ministry spokesman said: "This is a sheer fabrication."

Meanwhile, Zhou Nan, director of the Hong Kong branch of XINHUA NEWS AGENCY, also denied the report in Hong Kong yesterday. Attending a reception hosted by the Chinese General Chamber of Commerce of Hong Kong to mark its 90th anniversary yesterday, Zhou Nan was asked to comment on a local newspaper's report saying that military region commanders' being called to Beijing and Deng Xiaoping's daughter rushing back home before her painting exhibition in Japan closed were signs hinting that Deng Xiaoping was very ill. "This is nothing short of a nonsense," Zhou said.

Zhou Nan has just returned to Hong Kong from China. He said he had visited Suzhou, Shanghai, and some other places where he had talks with local leaders on trade between Hong Kong and Mainland China. The Pudong development project was touched on during their talks.

Zhou Nan encouraged Hong Kong people to visit China to have a look at the Pudong project's actual progress.

Li Peng on Inspection Tour of Shaanxi Province*OW2311082390 Beijing XINHUA Domestic Service
in Chinese 1039 GMT 22 Nov 90*

[By reporters Zou Aiguo (6760 1947 0948) and Wang Shihuan (3769 0013 3562)]

[Text] Xian, 22 Nov (XINHUA)—Premier Li Peng ended his six-day inspection tour of Shaanxi Province on 21 November. Li Peng said: China's drive to improve its economic environment and rectify economic order has achieved periodic results. During the next period, emphasis will be placed on enterprises. We should deepen reform, strengthen management, carry out technical renovation, develop products with a ready market, raise the quality of products, reduce production consumption, and concentrate efforts to raise the economic efficiency of enterprises. He stressed: It is a long-term task to develop production and reduce the poverty level in poverty-stricken areas. After solving the problems of food and clothing shortages for the poverty-stricken population, efforts should not be lessened. It is necessary

to continue the march towards the second period which is aimed at making the people who have been lifted out of poverty better off.

The premier began his inspection in Shaanxi on 16 November. Accompanied by Shaanxi Secretary Zhang Boxing and Shaanxi Governor Bai Qingcai, Li Peng conducted investigations on industrial, mining, and enterprise production in Xian, Yanlian, and Yanan. He held informal discussions with factory directors, managers, workers' representatives, and labor models. He inspected pilot projects for helping the poor by developing production in Yanan. He visited peasant families. He also paid a visit to people living in the old revolutionary base area and extended his greetings to them. Li Peng conducted extensive investigations during the inspection tour and mainly studied the question of how to raise the economic efficiency of enterprises during the drive to improve the economic environment, rectify economic order, and deepen reform. He also placed great emphasis on the question of how to reduce poverty by developing production.

There are more than 320 large and medium-scale state-run enterprises in Shaanxi, forming an industrial structure with machine tools, electronics, the military industry, and textile plants as the main component. The Xian Electrical Machine Tool Manufacturing Company, located in the west suburbs of Xian, is China's large-scale scientific research and production base for complete sets of high-voltage transmission equipments and transformers. Li Peng inspected the production of a high-voltage switchgear works plant, transformer and electric stove plant, and cable plant of this company and held an informal discussion meeting with its workers and staff members.

During his stay in Xian, Li Peng also went to inspect the Xian Airplane Manufacturing Company and the Flight Test Research Institute under the Ministry of Aeronautics and Astronautics Industry located in Yanliang township. The Xian Airplane Manufacturing Company is a conglomerate specializing in manufacturing military and civil airplanes. The Transportation-7 airplanes, developed and manufactured by this plant, have been widely used in domestic airlines, with a record of 150,000 hours of safety flights. These planes are a major force in China's flight feeder lines and have made contributions to the cause of transportation in China. In Airplane City of Yanlian, he inspected the process of airplane design, production, and testing in production, assembly workshops, and laboratory rooms.

During his inspection tour, Premier Li Peng spent one day holding discussions with factory directors and managers from the Shaanxi Color TV Kinescope Plant, the Northwest State-Run Cotton Textile Number Five Plant, the Dongfang Machine Tools Plant, and Xian Yangshen Pharmaceuticals, as well as leading comrades of Shaanxi Province. At the meeting, Li Peng talked about the

domestic situation, the promotion of enterprise economic efficiency, and the implementation of the contracted responsibility system.

While talking about the domestic situation, Li Peng stressed: It is necessary to affirm and insist on the policy of reform and opening to the outside world initiated after the Third Plenary Session of the 11th CPC Central Committee. He added: China has made great progress in economic and technical development and the living standard over the past 10 years of reform and opening to the outside world. The policy of improving the economic environment, rectifying economic order, and deepening reform which was adopted to correct the overheated economy, appeared several years ago and has achieved marked results. Inflation is under control and prices are relatively stable now. In agriculture, we have reaped bumper harvest for two years running. In addition, the economic order has been rectified. Although enterprises did encounter various difficulties during the process of improving the economic environment and rectifying economic order, industrial production now gradually is taking an upward turn after measures aiming at promoting the economy and adjusting control being put into effect. General speaking, our economy is developing towards a favorable direction.

Li Peng said: The first period of China's drive to improve the economic environment and rectify economic order is mainly aimed at curtailing excessive demand. During the next period, it is necessary to promote the economic efficiency of enterprises and gradually transform from a speed-oriented economy to an efficiency-oriented one, while maintaining a proper growth rate of industrial production. He stressed: It is imperative to be hopeful and confident when facing difficulties. We must strengthen the cohesive force and treat the drive of improving the economic environment and rectifying economic order as an opportunity. We should turn market pressure into a dynamic force by tapping the potential of enterprises and increasing their economic returns. We should advance industrial production to a new level.

How should we promote the economic efficiency of enterprises? Li Peng said: In addition to having a good mechanism, we must pay attention to both management and technical renovation. Rigid management can lead to increasing economic efficiency, tapping potential, reducing waste, and promoting quality. We can introduce advanced technologies, promote technical progress, and strengthen self-reliance ability by processing with materials and specifications provided by foreign firms, importing know-how, engaging in technical cooperation, and running Sino-foreign enterprises. Meanwhile, each enterprise should have plans for production development. It is necessary to develop new products according to market conditions. Next year, we will concentrate efforts to improve the quality, varieties, and economic returns of enterprise products.

Li Peng stressed: The contract responsibility production system will continue to be carried out in enterprises. As far as most enterprises are concerned, this system is suitable to the present development level of production force. Of course, the system will be constantly improved. Main efforts should be made to improve the relations between the state, collectives, and individuals and relations between accumulation and consumption. We must spend more accumulation on technically renovating and developing enterprises. Separation of enterprise benefits and taxes is an orientation we should adopt in the future. In this way, conditions for fair competition and a unified market can be formed. We should not, however, rush for quick success.

Li Peng said: It is necessary to improve the welfare of the workers and staff members through the reform of the housing, insurance, and medical care systems. We should guide the consumption of workers and staff members to a correct path. While talking about the relations between "center" and "nucleus," Li Peng said: Factory directors and party secretaries should strengthen unity. They should share the work instead of breaking up their enterprises. They shall be united as one and join in a concerted effort to improve enterprises.

During his inspection tour, Li Peng pointed out repeatedly that in the construction of socialism with Chinese characteristics it is necessary to carry out the simultaneous construction of both the economy and socialist culture, which act as supplements to one other. If enterprises cannot reach their production goal, they will have a hard time maintaining their normal operation. If ideological and cultural progress cannot be made, the morale of the ranks and files will be slack. The greatest mistake we have made in the past 10 years of reform and opening to the outside world is being both hard-handed on some matters and soft-handed on others. Socialist ideological and cultural progress needs new contents under a new situation. Ideological and cultural progress produces a cohesive force which will spur people to move forward.

After hearing a briefing by the Shaanxi party committee and government on the work in Shaanxi Province, Li Peng said: Shaanxi was an old revolutionary base area. It has made great achievements since the founding of New China. It has ample natural resources, sound foundation for the processing industry, for science and research development, and for education. Shaanxi has great promise for development. It is my hope that each and every one of us will continue his effort and do a better job in his work.

In Yanan, Comrade Li Peng climbed up the Baota mountain, and paid a visit to the Memorial Hall of Revolution. He also went to Fenghuangshan, Yangjialing, Zaoyuan, and Wangjiaping to visit the old buildings of the CPC Central Committee, the Military Committee of the CPC Central Committee, and the Headquarters of the Eighth Army, as well as old residences of revolutionaries of the older generation, including Mao Zedong and

Zhou Enlai. Li Peng also went to Liulin township's Shanshilipu village and Wanhua township's Xiaoqu village to inspect pilot projects for helping the poor by developing production and sites of water conservancy projects. He visited peasants' families and old Red Army soldiers and cadres living in Yanan.

After hearing a report on the Yanan Prefecture, Premier Li Peng said: Tremendous changes have taken place in Yanan's economic and social development in the past decades. Its grain production has increased steadily; its industrial enterprises have expanded fairly rapidly; its revenue has increased year after year; and its poor areas have decreased gradually. The prefecture basically has solved the problem of feeding and clothing its people. It has fulfilled the first-phase mission of helping the poor areas by developing production and is now marching toward the second-phase goal of shaking off poverty and becoming well-off. The people of Yanan could achieve these results because they implemented the party's line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee and because of the reform and open policies. In the past decades, Yanan Prefecture, carrying forward the Yanan spirit of hard struggle and self-reliance, has implemented the principle of helping poor areas by developing production and has thus found a way to shake off poverty and become well-off. With grain production as the base, the prefecture has at the same time developed diversified economic undertakings, thus setting up eight kinds of backbone production enterprises. He said that the task of solving the problem of food and clothing and shaking off poverty and becoming well-off in Yanan is still a long-term and arduous one, and unremitting efforts are required. He suggested that further efforts should be made to promote farmland capital construction and grain production; to pay more attention to the four leading industries—tobacco, fruit, potato growing, and sheep breeding; and to encourage technological development and improve after-production services such as storage, processing, and transportation. In the next 10 years, the masses should be mobilized to plant trees of economic value, trees used as fuel, and trees to cover barren hills with greenery, to increase the percentage of forest cover. Leading cadres at all levels should do a good job in promoting family planning and teach the masses to understand that to shake off poverty and become well-off, it is necessary to uphold the principle of good prenatal care and sound practices in bringing up children. It is necessary to stabilize the responsibility system mainly based on the household with remuneration linked to output and develop various kinds of services. It is necessary to strengthen building grassroots units so that there will be strong party branches in the countryside to lead the masses in shaking off poverty and becoming well-off. He expressed the hope that the masses and cadres in Yanan further will carry forward the Yanan spirit and do their work in a still better way.

Accompanying Premier Li Peng on the inspection tour were Chen Jinhua, minister of the State Commission for

Restructuring the Economy; Ye Qing, vice minister of the State Planning Commission; Liu Zhongli, deputy secretary general of the State Council; He Wenzhi, vice minister of the aeronautics and astronautics industry; and Yang Yongzhe, vice chairman of the State Council Research Office.

Jiang Zemin To Attend Shenzhen Celebrations

HK2311021990 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 23 Nov 90 p 3

[By Cheung Lai-kuen]

[Text] Chinese Communist Party General Secretary Jiang Zemin will visit Shenzhen for the 10th anniversary celebrations of the establishment of the special economic zones [SEZ] of Shenzhen and Zhuhai, according to a reliable source in Beijing.

The source said Shenzhen and Zhuhai authorities had invited Mr Jiang and Chinese Premier Li Peng, and Mr Jiang had accepted.

He said Mr Jiang would officiate at ceremonies in both Shenzhen and Zhuhai, where celebrations will extend from next Monday until Thursday.

A China analyst said an aim of Mr Jiang's trip to the southern SEZs would be to take an opportunity to pass the message that China would continue its economic open-door policy to the outside world.

The Beijing government wanted to reaffirm that its open-door policy would not change, the analyst said.

The visit to the SEZs by an official of Mr Jiang's rank could reflect that the Beijing government still supported the open-door policy, despite the central government being likely to turn to a more conservative policy.

Meanwhile, a source in Shenzhen said municipal government officials would take the opportunity to tell Mr Jiang of conditions in the zones.

Both Shenzhen and Zhuhai were expected to request preferential treatment from the general secretary because of uncertainty about the future of the SEZs in the face of the development of Yangtze River delta areas such as Pudong, in Shanghai, and the central government's recentralisation policy.

He said the value of privileges which Beijing granted to Shenzhen when a decision was made to develop the city as an SEZ a decade ago had been eroded as similar treatment was granted to more and more cities.

Shenzhen was looking for further preferential treatment from Beijing in order to maintain its status as an SEZ and for future development.

However, the analyst said Mr Jiang was unlikely to make any announcement during his stay in Shenzhen and Zhuhai, because the general secretary was not formally in charge of economic affairs.

The Shenzhen municipal government is expected to impose tight security for Mr Jiang's visit.

The source in Beijing said the SEZs' 10th anniversary celebrations were originally scheduled for September—a decade from the announcement of their founding.

But they had been postponed twice because of the Asian Games being held in Beijing during September and the pending meeting of the Seventh Plenum of the Central Committee of the Chinese Communist Party and the eighth Five-Year Economic Plan.

Yan Mingfu Said 'Ousted' as United Front Head

HK2211075790 Hong Kong TA KUNG PAO in Chinese
22 Nov 90 p 1

[Report: "Ding Guangen Has Concurrently Become Head of the United Front Work Department"]

[Text] According to reports from Beijing, the United Front Work Department of the CPC Central Committee has had its new director appointed; Ding Guangen, alternate member of the Political Bureau of the CPC Central Committee and member of the CPC Secretariat, is to hold this important post concurrently. Yan Mingfu, the former director of the United Front Work Department of the CPC Central Committee, who was suspended from office since 4 June last year, has been officially ousted from office.

State Council Approves Anti-Narcotic Committee

OW2311123790 Beijing XINHUA in English
1204 GMT 23 Nov 90

[Text] Beijing, Nov 23 (XINHUA)—The State Council, China's highest governing body, today discussed the draft regulations on administrative supervision and decided to set up the State Anti-Narcotic Committee at its 72nd executive meeting today.

At the meeting, presided over by Premier Li Peng, participants reviewed that in recent years the Standing Committee of the National People's Congress and the State Council have promulgated a number of laws and regulations, which have defined the tasks, duties and power of the supervisory departments and promoted the work of supervision.

The participants noted that as the reform and opening to the outside world and the supervision work centered on clean government deepen, it is necessary to formulate the regulations on supervision to strengthen administrative supervision, improve administrative management, raise administrative efficiency and make state administrative institutions and their employees honest in performing their official duties.

The meeting approved, in principle, the draft regulations, which will be issued by the State Council after revision.

On the establishment of the state anti-narcotic leading body, the participants maintained that China has made tremendous achievements in fighting drug trafficking and addiction left over from old society after the founding of the people's republic in 1949. Over a long period of time, China was known as "drug-free country" in the world.

In recent years, however, rampant drug trafficking by international rings has led to the revival and spreading of narcotic trafficking and addiction in China.

To maintain the country's social stability and protect the people's health and to crack down on drug trafficking and addiction, the State Council decided to set up the State Anti-Narcotic Committee.

The committee will be responsible for formulating important anti-narcotic policies and measures, coordinating efforts on related issues and exercising unified leadership over the national anti-narcotic efforts.

The State Anti-Narcotic Committee will be headed by Wang Fang, minister of public security.

State Council Makes Personnel Changes 8-16 Nov

OW2311123390 Beijing XINHUA in English
1141 GMT 23 Nov 90

[Text] Beijing, November 23 (XINHUA)—The State Council, the highest governing body, has appointed Lu Ping and Wang Zhaoguo to head the Hong Kong and Macao Affairs Office and Taiwan Affairs Office, respectively.

The State Council made a number of other personnel changes from November 8 to 16.

Hui Yongzheng was appointed vice minister in charge of the State Science and Technology Commission; Li Dezhu, vice minister in charge of the State Nationalities Affairs Commission; Bao Xuding, vice minister of machine-building and electronics industry; and Yan Keqiang, vice minister of water resources.

The State Council accepted the resignation of Ji Pengfei as director of the Hong Kong and Macao Affairs Office of the State Council. Ding Guangen was removed from his concurrent post of director of the Taiwan Affairs Office of the State Council and vice minister in charge of the State Planning Commission; Zhang Dejiang from his office of vice minister of civil affairs; Wan Min, from his office of vice minister of chemical industry and Li Hou, from his office of deputy director of the Hong Kong and Macao Affairs Office of the State Council.

State Council Official on Ways To Improve Press

OW2111120190 Beijing Domestic Service in Mandarin
1030 GMT 20 Nov 90

[From the "National Hookup" program]

[Text] At the first national press examining seminar recently held in Chongqing, Wang Qianghua, deputy director of the State Press and Publications Administration, said: It is necessary to strengthen further the research and review of newspapers and periodicals in all localities across China, support the right and expel the evil, and guarantee that China's press will develop in a healthy fashion and continue to flourish.

Wang Qianghua emphatically said: The research and review of the press are effective measures to strengthen the party's leadership over the press and improve the quality of the press. They are the foundations for the management of the press. It is necessary to systematize, regularize, and standardize them step by step.

Over the past two years, 28 provinces, municipalities, and autonomous regions in China have started to research and review the press. They have offered various newspapers and periodicals macro-guidance and micro-service, publicized and supported a large number of fine periodicals, and thus greatly promoted the development of the press and publications.

Newspapers and periodicals in all localities have been straightened out and curtailed on the basis of the research and review of the press. According to statistics, the number of newspapers across the country has been cut by 12 percent and that of periodicals by 13 percent.

The seminar also held that at a time when we are thoroughly clamping down upon pornography, we must strengthen the research and review of the press. When we grasp this link, we can spur on the entire situation in the management of the press. While we are supervising and examining the press, we must guide and serve it in a positive way so that it can continue to flourish.

Peng Peiyun Urges Leadership in Family Planning

OW211115590 Beijing XINHUA Domestic Service
in Chinese 1208 GMT 20 Nov 90

[By reporter Yu Changhong (0060 7022 3163)]

[Text] Beijing, 20 Nov (XINHUA)—Peng Peiyun, minister in charge of the State Family Planning Commission, today said: In the coming decade, we must firmly implement basic state family planning policies; greatly strengthen the work of grassroots units; and let publicity work, contraception, and regular practices play dominant roles. We must strive to regularize and standardize our family planning program and carry it out in a scientific way so that we will be able to control our population growth more effectively; improve the quality of the nation; unite the people of the whole country still more closely; and promote political stability and economic development.

Peng Peiyun proposed this state family planning program at the National Family Planning Grassroots Units Experience-Exchange Conference, which opened today. She said: It is necessary for the people in all localities to

attach great importance to the work of grassroots units and grasp the family planning program at the grassroots level, particularly in the countryside, as a task of prime importance. We must strive to remarkably improve our family planning work at the grassroots level in stages and at different times within five years.

An important sign of the in-depth development of China's family planning program is the work of the grassroots units and the laying of foundations. Over the past few years, people in all localities have clearly understood through practice that the work of family planning at grassroots units has made marked headway. China now has 180,000 full-time family planners at or below the county level, while family planning stations (posts, rooms) are available in 90 percent of China's counties, 30 percent of China's townships and towns, and a few villages. Most counties, townships, and villages have signed the population and family planning goal management responsibility system. Some villages have also signed various family planning contracts with women of child-bearing age. In China, 26 provinces, autonomous regions, and municipalities have promulgated regulations governing family planning. Family planning programs at grassroots units are gradually being managed according to law.

Family planning work in the vast rural grassroots units is still, however, quite poor. The conditions for some local grassroots units to develop family planning work are also poor. The work will remain poor if we rely only on a few crash jobs a year.

All the representatives at today's National Family Planning Grassroots Units Experience-Exchange Conference believe that the key to strengthening family planning work in grassroots units lies in leadership. Only when leading cadres place more importance on the work and actively do it can various difficulties be surmounted and family planning work at grassroots units be strengthened step-by-step.

Li Ruihuan, Song Renqiong Attend Drama Festival

OW2011193590 Beijing XINHUA in English
1607 GMT 20 Nov 90

[Text] Beijing, November 20 (XINHUA)—The Second China Drama Festival opened tonight at the People's Theater in Beijing.

Li Ruihuan, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, and Song Renqiong, vice-chairman of the Central Advisory Commission, attended the opening ceremony.

A number of selected actors and actresses performed episodes of traditional Chinese operas tonight.

During the 20 day festival over 25 troupes from various parts of China will stage 27 programs and 19 types of drama. In addition to modern drama, there will be 18

traditional Chinese operas including those popular in Heilongjiang, Shanxi, Anhui and Hubei.

More than half of the programs reflect modern themes depicting people in the countryside, in factories or in the army, while others feature legendary themes. One production in the form of Lu opera, is adapted from Shakespeare's "The Merchant of Venice".

Li Ruihuan Attends Workers Commendation Meeting

OW2111084690 Beijing XINHUA Domestic Service
in Chinese 0950 GMT 20 Nov 90

[By reporters Hu Xiaomeng (5170 2556 1125) and He Ping (0149 1627)]

[Excerpts] Beijing, 11 Nov (XINHUA)—After six months of preliminary and final competitions, the First National Young Workers Technical Competition ended in the Great Hall of the People this morning. Li Ruihuan, Ding Guangen, Yu Qiuli, Kang Shien, Ni Zhifu, Zou Jiahua, and others attended the summation and commendation meeting and presented awards to 90 young workers who had won the titles of "National Young Workers Technical Wizards" and "National New Long March Shock Troops." [passage omitted]

The inscriptions written by Jiang Zemin and Li Ruihuan for the occasion were read aloud at the meeting. Comrade Jiang Zemin's inscription read: "Carry forward the fine tradition of the working class, strive to master advanced technology, and make greater contributions to the modernization drive." Comrade Li Ruihuan's inscription read: "Study and train industriously, be determined to become qualified personnel."

The First National Young Workers Competition, started last July, was sponsored jointly by the Central Committee of the Communist Youth League, the Ministry of Labor, the All-China Federation of Trade Unions, the Ministry of Machine-Building and Electronic Industry, the Ministry of Textile Industry, the Ministry of Construction, and the Ministry of Commerce. More than 5 million young workers took part in the unprecedentedly large-scale competition which tested technical skills in nine categories of work, including cooking, hairdressing, spinning, bricklaying, and automobile work. [passage omitted]

Song Defu, first secretary of the Central Committee of China's Communist Youth League, spoke at the meeting on behalf of the organizing committee for the competition. He said that the competition had disseminated the Lei Feng spirit of cherishing a job and being determined to become expert in a job, fired the enthusiasm of young workers to work hard to acquire skills and become efficient workers at their posts, enhanced operational techniques, raised economic efficiency, strengthened young workers' sense of glory and responsibility, and heightened their moral integrity and scientific and educational level. [passage omitted]

At the meeting, the 90 workers who won the awards issued a joint appeal, expressing the hope that young workers throughout the country will strengthen their sense as their own masters, work hard to learn skills, be determined to become proficient workers, make selfless contributions, work industriously to turn out outstanding results, and strive to contribute to the steady development of the economy.

Responsible persons of the relevant CPC central state organs attended the commendation meeting.

'Technical Wizards' Recognized

OW2011190890 Beijing XINHUA in English
1537 GMT 20 Nov 90

[Text] Beijing, November 20 (XINHUA)—Ninety young workers received state-level awards as national technical wizards here today at the closing ceremony of the six-month long First National Young Workers Technical Competition.

Over 40 million young workers across the country participated the competition which tested technical levels in lathe work, carpentry, spinning, weaving, bricklaying, cooking and hairdressing.

Song Defu, the first secretary of the Central Committee of China's Communist Youth League and one of the seven organizers of the competition, said that the competition encouraged young workers in China to learn new techniques and was conducive to the development of the national economy.

Young workers under the age of 35 in China represent over 60 percent of all Chinese workers.

CITIC Chief Denies Reassignment Rumor

HK2211015790 Hong Kong HONGKONG STANDARD
(BUSINESS STANDARD) in English 22 Nov 90 p 1

[By Cheung Lai Kuen]

[Text] Rong Yiren, founder and chairman of China International Trust and Investment Corporation [CITIC], yesterday scotched rumours that he was about to be appointed China's vice-president.

"I think I'll remain at this post for few more years," he told reporters in Hong Kong.

Mr Rong who is in Hong Kong for the 90th anniversary of the Chinese General Chamber of Commerce, said CITIC would continue its business strategy of seeking good investment opportunities.

CITIC, China's biggest non-government commercial enterprise, has been very active in Hong Kong in the past few years.

It acquired 20 percent of Hong Kong Telecom and has stakes in Cathay Pacific Airlines and Dragonair.

It has set up a branch to serve Taiwanese investors seeking information about opportunities in China.

Mr Rong said CITIC would like to co-operate with Taiwanese businessmen if suitable opportunities arose.

Zhu Youlan, chairman of China Resources Holdings, China's biggest official export corporation in Hong Kong under the Ministry of Foreign Economic Relations and Trade, told reporters that China's exports would benefit from last week's devaluation of the renminbi.

She expected China Resources to record a similar turnover to last year—about HK\$50 billion.

Some observers have suggested that last week's devaluation might have been intended to pave the way for a removal of export subsidies.

The devaluation effectively narrowed the gap between the official exchange rate and that available on the so-called grey market.

Ms Zhu said she did not expect export subsidies to be cancelled in the near future.

She said China's exports would continued to boom next year but further regulations on the export of goods in high demand were likely.

Acting Culture Minister Addresses Hunan Symposium

HK2111052390 Changsha Hunan Provincial Service in Mandarin 2300 GMT 19 Nov 90

[Text] To strengthen efforts, seek common understanding, define orientation, and strengthen unity so as to prosper the new socialist nationality operas. These are the important remarks made by He Jingzhi, deputy director of the Propaganda Department of the CPC Central Committee and acting minister of culture, at the 1990 national opera emulation performance, which concluded the day before yesterday, and are the theme of a three-day symposium on opera.

During the three-day symposium, playwrights, composers, and theoreticians from all parts of the country respectively held in-depth discussions on the new socialist operas.

After listening to views of all the relevant personages at the symposium, He Jingzhi put forward the goal and tasks of literary and artistic work for the future: To conscientiously implement the party's line, principles, and policies, strengthen the self-reliance sense, adhere to the principle of literature and art serving the people and socialism, make the past serve the present and foreign things serve China, and integrate literature and art with the times and the masses. Only by doing things in this way will literature and art really display the spirit of the times and become thriving and prosperous.

Vice Minister of Culture Xu Chonghua and responsible comrades of the Propaganda Department of the CPC Central Committee, Ministry of Culture, the propaganda

department of the provincial party committee, the provincial culture department, and Zhuzhou City also attended the symposium.

Shandong Secretary Meets Henan Visiting Group

SK2111041790 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Nov 90

[Text] The Shandong-visiting group of the Henan provincial party committee and government led by Hou Zongbin, secretary of the Henan Provincial CPC Committee; Li Changchun, deputy secretary of the provincial party committee and acting provincial governor; Lin Yinghai, deputy secretary of the provincial party committee; and Hu Tiyun, executive provincial vice governor, arrived in Jinan.

On the morning of 20 November, leading comrades of the Shandong provincial party committee and government cordially held work discussions with the comrades of the Henan provincial visiting group. The Henan provincial visiting group arrived in Jinan on 19 November. On that afternoon, Jiang Chunyun, secretary of the Shandong Provincial CPC Committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; Zhang Quanjing, Standing Committee member of the provincial party committee and secretary of the provincial Discipline Inspection Commission; Gao Changli, Standing Committee member of the provincial party committee and provincial vice governor; and Ma Zhongcai, Standing Committee member and secretary general of the provincial party committee, cordially met with all the comrades of the Henan provincial visiting group at the Nanjiao Guesthouse. Jiang Chunyun extended warm welcome to comrades from Henan on their visiting Shandong. He said: Henan and Shandong are neighboring provinces, both of which have a fairly large population. They are similar in many aspects of their economic construction and social development. In the years of war as well as today when reform and opening up are being conducted, Shandong and Henan have supported and cooperated with each other, and have established a profound friendship. The two provinces have their own strong and weak points. They should expand their cooperation in the future, develop their advantages of being good neighbors, and promote common development. Hou Zongbin, secretary of the Henan provincial party committee said: The major purpose of our visit is study. Meanwhile, we will also further explore the new spheres and ways of economic cooperation.

During the talks on the morning of 20 November, Jiang Chunyun and Zhao Zhihao introduced Shandong's major work to comrades from Henan. Zhang Quanjing, Ma Zhongcai and Li Chunting were present at the talks. Comrades from Henan will also visit Jinan, Taian, Weifang, Yantai, Weihai, Qingdao and Linyi.

RENMIN RIBAO Calls For Studying Marxism

OW2211143490 Beijing XINHUA Domestic Service
in Chinese 1046 GMT 22 Nov 90

["Full text" of 23 November RENMIN RIBAO editorial: "Organize Cadres To Earnestly Study Marxist Theory"]

[Text] Beijing, 22 Nov (XINHUA)—For some time, we have carried out study and research on the theory of Marxist scientific socialism among senior and middle-ranking cadres of the party and have achieved some initial results. At present, more and more cadres and intellectuals have thrown themselves into this study and an upsurge of studying socialist theory rarely seen in many years is emerging. This is a very heartening phenomenon on the ideological and theoretical front. Party committees at all levels must, from a strategic high plane, have a thorough understanding of the great immediate and far-reaching historical significance of conducting a study and education on socialist theory, step up leadership, and conscientiously carry it out well as it is a major undertaking.

The overall objective and requirements of this study and education are to arm the cadres' mind with the theory of scientific socialism; clear some confusions and misgivings on the question of socialism; firm up their faith in socialism; enhance their consciousness of building socialism with Chinese characteristics; uphold the party's basic line on the initial stage of socialism; motivate them to work hard for the prosperity of the country and to overcome difficulties; and continuously advance China's socialist modernization, reform, and opening up.

Carrying out a study and education on socialist theory among cadres at all levels today is an urgent requirement presented to us by the development of the situation at home and abroad. Since our great victory last year in stopping the turmoil and quelling the counterrevolutionary rebellion, our country's politics, economics, and society have been developing amid stability; we have made new progress in improving and rectifying the economy and deepening reform; and we have scored new achievements in the socialist cause. Our future is bright. Chaos in ideology and theory, however, which is a result of the ideological trend of bourgeois liberalization that spread unchecked for many years, needs to be further clarified. The antagonism and struggle between the four cardinal principles and bourgeois liberalization will continue for a long time to come. Especially since the second half of last year, there have been complicated and constant changes in the international situation. Hostile forces in the West have stepped up their "peaceful evolution" strategy against socialist countries; the political situation in some socialist countries has undergone major changes; and the internationalist communist movement is faced with an unprecedented challenge. A common ploy used by all antisocialist forces is to take advantage of the temporary economic superiority of some developed capitalist countries, seize upon certain

mistakes and difficulties of the socialist countries, make a big issue of it, and hastily declare that socialism has failed; those elements who persist in bourgeois liberalization take a cue from them and come out to create disturbances. In the face of this serious struggle in the realm of ideology, it is essential that we conduct a study and education on the theory and practice of scientific socialism among our cadres, especially leading cadres at the county level or higher.

The CPC is our country's ruling party and the core of leadership of our socialist cause. Party cadres at all levels are the backbone that pushes forward the socialist cause. Experience shows that, in spite of the complicated and constantly changing international situation and no matter how formidable difficulties we are facing, so long as leading party cadres at all levels keep a clear head and take a firm stand, no force whatsoever in the world can do anything to us. It can be expected that so long as leading cadres with party membership at all levels further arm themselves with the theory of scientific socialism and employ, with a positive attitude, effective methods to help the masses clear up their doubts, they will certainly be able to unite the broad masses to advance along the road of building socialism with Chinese characteristics in an even more energetic manner.

The theory of scientific socialism has substantial content. While organizing the study of theory, we should do a good job in guiding cadres to pay special attention to those fundamental theoretical viewpoints and issues and make an effort to understand their essence so that profound ideological issues can be truly resolved. For example, cadres should be guided to study the law governing the development of human society and the special law governing the conduct of capitalist production so that they will thoroughly understand that the replacement of capitalism by socialism is a historical inevitability; understand the innate characteristics and basic principles of socialism and make a clear distinction between scientific socialism and socialism under various other banners; understand that the course for socialism to replace capitalism is a protracted, complex, and tortuous one and that the temporary twists and turns of socialism and the relative stability of capitalism have not and cannot change the general trend of the historical development; understand the historical inevitability for China to choose the socialist course and the superiority that has already been revealed; and understand, in particular, how to proceed along the socialist course and bring the superiority of the socialist system into play while carrying out reforms and opening to the outside world. Only when these major issues have been truly and fully understood can the strong conviction in socialism be reaffirmed. To deepen their comprehension of the basic theories of scientific socialism and thoroughly resolve various major ideological problems, leading cadres at all levels should, while properly studying the reading materials prepared by the Central Committee, also read some selected works by Marx, Engels, Lenin, and the relevant works by Mao Zedong, Deng Xiaoping,

and other proletarian revolutionaries of the older generation, as well as the important documents issued since the Third Plenary Session of the 11th CPC Central Committee so as to build a strong foundation of Marxist theory. When they do so, no matter what storms they encounter, they can "remain firm and strong despite being buffeted by winds from all sides."

Linking theory with reality is a basic Marxist principle and a good workstyle of our party. Throughout the course of education, we must adhere to this principle and integrate the study of socialist theory with criticism of the reactionary viewpoints relevant to bourgeois liberalization; with efforts to sum up the experiences we have gained from reforms and construction; and with the work in our regions, departments, and units. The most important thing to do is to keep track of the ideological state of cadres and the masses. We should encourage people to open their minds and clearly state their views in order to do an even better job in resolving profound ideological issues. This is the prerequisite for resolving specific ideological issues. During the course of study and discussion, we should educate people by means of patient and meticulous persuasion, firmly following the principle of not capitalizing on their mistakes, not putting a label on them, and not censuring them. We should believe that Marxist truth is persuasive, and we should also believe that the vast number of cadres and people can accept the truth. While organizing the study, some localities encourage people to ask questions they do not understand and to say what is in their minds. Then, they take prompt action to sort out, analyze, and study these problems and handle them in various ways according to their different natures. Some localities organized study class members to solve the problems through discussion. Some held theoretical symposiums to study problems. Some solicited answers by publishing the problems in provincial newspapers or journals. Some organized theoretical workers to brainstorm collectively the problems. These measures, which have organically combined theoretical education, theoretical propaganda, and theoretical research, achieved very good results. Experiences like these are worth popularizing.

Following the Fourth Plenary Session of the 13th CPC Central Committee, the new leadership collective of the party Central Committee with Comrade Jiang Zemin as the core profoundly summed up the previous experiences and lessons, corrected the mistakes committed in carrying out ideological education, and attached great importance to educating cadres on Marxist theory. The study of Marxist theory is becoming a prevalent trend among cadres at all levels in the party thanks to the repeated initiatives taken by the Central Committee and the specific plans it has drawn up. Now, on the basis of the earnestness in studying Marxist philosophy, the study of socialist theory, the attention paid to analyzing and understanding socialist theory through a philosophic perspective, and the efforts made to closely integrate the study of Marxist philosophy and the study of socialist

theory and to closely integrate theory with reality certainly will substantially upgrade the theoretical proficiency of of Marxism-Leninism-Mao Zedong Thought among all leading cadres, especially the middle-aged and young cadres; and build up a staunch and reliable mainstay force for the cause of revitalizing China and building a socialist society with distinctive Chinese characteristics.

Marxist Theorist Li Da's Birth Commemorated

HK1611085090 Beijing GUANGMING RIBAO
in Chinese 28 Oct 90 p 2

[Article by Hu Sheng (5170 4939): "A Forerunner in Disseminating Marxist Theory—In Commemoration of the Centenary of Comrade Li Da's Birth"]

[Text] Today, it is of great significance for us to hold this meeting to commemorate the centenary of Comrade Li Da's birth.

Comrade Li Da was one of the deputies to attend the first national congress of the CPC. He made major contributions to the founding of the party.

Comrade Li Da mainly worked on the theoretical front during his life. In the three years prior to the founding of the CPC, he had set about studying, introducing, and propagating the Marxist theory. He was one of the earliest forerunners who systematically and accurately expounded and disseminated the Marxist theory. During the Kuomintang rule, Comrade Li Da persisted in giving lectures on economics, political science, and sociology under the guidance of Marxism in various universities regardless of the perilous political environment and the oppressive conditions whenever an opportunity presented itself. In this period, he translated many Marxist theoretical works; more importantly, he also engaged himself in writing a large quantity of works. Many of his works had broad influence. They were mainly "Outline of China's Industrial Revolution" published in 1929, "Outline of Economics" in 1935, and "Outline of Sociology" in 1937. These works not only expounded the basic theories of Marxism but also presented his own original views. After the whole country was liberated, he wrote "Explanation of 'On Practice'" and "Explanation of 'On Contradiction'" and also led the compilation of "Outline of Material Dialectics." He was a real fighter who worked persistently and unremittingly throughout his life for the dissemination and development of the Marxist theory, especially Marxist philosophy, and made remarkable achievements in this field.

Comrade Li Da also did a great deal of useful work in the aspect of social and political activities. He was successively president of Hunan University and Wuhan University, and made major contributions to education.

The theoretical attainments of Comrade Li Da are worth special attention. In past years, this has been discussed frequently in our academic circles, and we should still

continue the studies. Here, I would like to point out two marked characteristics in Comrade Li Da's theoretical activities, and these two characteristics even stood saliently in his early works.

The first characteristic is to bring the critical role of Marxism into play. The salvoes of the October Revolution brought Marxism-Leninism into China, but this was never a simple process. When Marxism was introduced to China, the conditions in China's intellectual circles were very complicated. Some people then advocated capitalism and opposed socialism; some people propagated such wrong ideas as anarchism and unionism in the name of socialism; and still some people peddled revisionist ideology or ultra-leftist ideology in the name of Marxism. In order to set up Marxism, it was necessary to criticize all those wrong ideologies. At that time, Li Da and a very small number of comrades began to do this. Although Comrade Li Da later said that his criticism in those years was still premature, but the criticism showed that they did seriously analyze and expose the contradictions in the theoretical and practical absurdity of various wrong ideologies and viewpoints, thus setting off the correctness of the theory of scientific socialism and Marxism. Comrade Li Da said then: "Our discussion and criticism of various doctrines should always be based on theoretical reasoning and should not be swayed by personal emotions." Because they were able to consciously apply Marxism as a weapon of criticism, they could successfully enhance the status of Marxism and expand the influence of Marxism in the intellectual circles. Criticism is the intrinsic feature of Marxism. In a certain period, because this weapon was used incorrectly, it seemed to some people that criticism meant exaggerating the seriousness of problems in a simplistic way, cooking up false charges in a farfetched way, and attacking some people by chiming in with a dominating voice. Criticism was thus defamed. To commemorate Comrade Li Da, we should restore the original feature of Marxist criticism, that is, to establish a correct viewpoint by pointing out the incorrect viewpoints on the basis of serious analysis and cogent reasoning.

The second characteristic is to link theory with practice. It is never easy to apply the Marxist world view and methodology, the Marxist theory about social development, and the theory of scientific socialism to China's concrete reality. We often say that Mao Zedong Thought is born of the combination of the universal theory of Marxism with China's specific practice, and it got mature in the late 1930's. This does not mean, however, that before that, the Marxists in China could only mechanically copy the formulae of Marxism. Take Comrade Li Da's early works as an example. He published an essay "Marx's Theory and China" in 1923, where he, proceeding from the fact that China became a semi-colony after the Opium War, pointed out that the CPC had "theoretical and factual grounds" for "organizing the proletariat and contemplating social revolution." At the same time, he added that as for how the proletariat should carry out their political movement, "Marx did

not provide any program for the CPC in his "Manifesto of the Communist Party," so this had to be determined "in light of China's national conditions." At that time, such opinion was never a cliché. Obviously proceeding from this idea, Comrade Li Da earnestly studied the concrete social and economic conditions in China. The book "Outline of China's Industrial Revolution" published in January 1929 was a book he "tried to find out what a society the contemporary Chinese society is" "through explorations in the economic field." In this book, he emphatically pointed out the necessity of "considering the particularity of the social problems in China." He collected a large quantity of data available to him at that time to discuss the China's socioeconomic characteristics as a semi-colonial and semi-feudal society, and drew a main conclusion that "how to develop China's industry is in fact a fundamental question in the Chinese revolution; while in order to develop industry, China must overthrow imperialist aggression and eliminate the feudal force and the feudal system." Comrade Li Da started his scientific research in this aspect prior to the 1930; in the 1930's, other Marxist theorists in China continued to carry out manifold research of Chinese society and the Chinese countryside. Some people later said that the Chinese Marxists never made any scientific study of China's socioeconomic conditions, and they attacked the principle of linking theory with practice by describing it as something to satisfy the political needs at the expense of scientific research. Such opinion did not tally with the facts and was completely wrong.

To attach importance to the work of criticism, we should solve various problems in the minds of the people in the real life. This is also an aspect of the combination of theory with practice. To link theory with practice, it is even more necessary to apply the Marxist theory to scientific research and to answer many new problems in reality in China and in the world. It is an important job to solve the problems in people's minds and to solve the problems in reality. Marxism is not a rigid dogma. The dogmatist approach toward Marxism will only make Marxism lifeless. Only through applying theory to the reality and solving various problems in people's minds and in reality can we keep Marxism full of vigor and develop Marxism.

At present, the status of Marxism in China is, of course, totally different from that several decades ago. We cannot, however, thus neglect the critical function of Marxism or take the work of criticism lightly. We should seriously and deeply criticize various ideas of bourgeois liberalization on the basis of scientific research. Such criticism needs to be combined with the study of various issues in practice. The development of socialist construction with Chinese characteristics has brought about many theoretical questions that we should solve; and the changes in the world situation have also brought about many theoretical questions that we should solve. In solve these questions, we need to hold adequate data and materials and need to conduct deepgoing scientific

research. Therefore, to commemorate Comrade Li Da and other forerunners, we should learn from them in adhering to the principled position of Marxism, follow their example in applying Marxism as a weapon of criticism and promoting our theoretical work by closely linking it to the reality.

Documentary Recommended To Counter 'River Elegy'

HK2211060890 Hong Kong MING PAO in Chinese
22 Nov 90 p 6

["Special Dispatch": "CPC Central Committee Propaganda Department Recommends a New Political Documentary 'Course of the Century' To Offset the Influence of 'River Elegy'"]

[Text] The CPC Central Committee Propaganda Department recently issued a circular to recommend a television documentary "Course of the Century—Talking in Length and Breadth About the Four Cardinal Principles." The circular urged local organizations to use this film as "a sort of vivid supplementary teaching material for the education in socialism."

The documentary "Course of the Century" was produced by the Shenzhen City party committee propaganda department last year. It is alleged that the film was shot after the model of another documentary film, "The River Elegy," but it is on a contrary theme, with a view to offsetting the latter's profound influence across the country.

Ministry To Settle Internal Border Disputes

HK2111060990 Hong Kong ZHONGGUO TONGXUN SHE in English 0715 GMT 20 Nov 90

["Ministry of Civil Affairs Trying To Settle Internal Boundary Disputes"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, November 20 (HKCNA)—China's Ministry of Civil Affairs is about to make a thorough overhaul of the country's internal administrative borders in a move aimed at settling border disputes. It is hoped that the problems at both provincial and county level can be settled within ten years.

There have so far been 800 boundary disputes between provinces, according to incomplete statistics. These have involved 333 counties and involve a total area of 140,000 sq. kilometres.

The clear marking up of administrative districts is a vital necessity for peaceful conditions. The prefectural and county system for administrative purposes took shape in the Qin Dynasty. It underwent certain changes in later dynasties until it arrived in its present form. The system, however, has been confusing for thousands of years.

The provincial boundaries in China are, according to scientific calculation, some 52,000 kilometres in total length. If one adds up all the 30 provinces, cities and

prefectures in China, there are altogether 66 boundary lines, excluding those of Taiwan Province. Of these, the provincial boundaries of Guangzhou and Hainan provinces are the only legally clearly-defined lines, the others not yet having been defined thoroughly.

The Ministry of Civil Affairs has up to now completed defining six provincial boundaries in North China.

Exchange Association for Overseas Chinese Set Up

HK2211020090 Beijing CHINA DAILY in English
22 Nov 90 p 3

[By staff reporter]

[Text] China Overseas Exchange Association was founded in Beijing on Tuesday to serve as a bridge linking the mainland with the rest of the world.

The non-governmental organization, with its headquarters based in Beijing, aims to promote economic, scientific and cultural co-operation between China and other countries by making extensive contact with Chinese nationals living abroad, and with foreigners of Chinese origins and their organizations.

There are an estimated 30 million Chinese nationals and foreign nationals of Chinese origin living overseas.

The association's president, Qian Weichang, said the association has come into being at a time when China has stepped onto the global stage of co-operation and exchange.

"China needs to learn more about the world, while the world needs to learn more about China," he told Tuesday's inauguration ceremony.

Vice-premier Wu Xueqian in a speech on behalf of the State Council, said he hoped the association would work under the principle of friendship, unity, progress, co-operation and exchange.

Meanwhile a 102-member council of the association, which is mainly composed of celebrities, social activists, and senior government officials of the association, was decided upon on the basis of consultation.

Expansion of Family Planning Association Announced

HK2211020890 Beijing CHINA DAILY in English
22 Nov 90 p 3

[By staff reporter]

[Text] The China Family Planning Association is to expand its branches at the grassroots level in all parts of the country in the next two to three years, according to Zhou Boping, deputy head of the association.

Since it was established in 1980, the association has become one of China's major mass organizations.

By the end of September, 665,000 branches had been established, with more than 28.1 million members, 140 times more than in 1985.

But many branches are in areas where family planning has been successful, Zhou told Tuesday's opening session of the Third National Representative Conference of the Association, held in Beijing.

The five-day meeting to commend model branches and individuals associated with the CEPA is being attended by 296 representatives from all over the country.

Excellence awards were presented to 256 units and 64 individuals.

The CFPA is a nationwide non-governmental organization composed of retired workers, medical staff and representatives of such mass organizations as women's federations and youth leagues.

It was formed to assist the government by raising public awareness of family planning issues.

Public Health Minister on Rural Medical Training

OW2111145390 Beijing XINHUA in English
1440 GMT 21 Nov 90

[Text] Beijing, November 21 (XINHUA)—Chen Minzhang, Chinese minister of public health, called on medical departments at all levels and medical schools to pay more attention to the training of rural medical personnel so as to meet the needs of the countryside.

The minister, speaking at a national medical education meeting which concluded here today, said that the health of China's 850 million peasants very much depends on rural medical workers whose professional qualities must be raised.

In fact, he said, many medical workers in the countryside, including some senior doctors, are not trained by medical schools.

According to official statistics, in 1989 there were in China 1.25 million doctors practising Western or traditional Chinese medicine. About 772,000 of them serve the urban residents who make up 20 percent of the country's total population. The rural residents, accounting for 80 percent of the total population, have only 484,000 medical workers, about one-fourth of the urban level in terms of the number of doctors for every 1,000 people.

To tackle the problem, the minister said that efforts must be made to train rural medical personnel while adopting policies to encourage doctors to work in the countryside.

Seminar on Housing Loans Opens in Hohhot

SK2011124290 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 19 Nov 90

[Text] The national seminar sponsored by the departments in charge of real-estate loans of some provinces, regions, and cities across the country was held in the city of Hohhot from 17 to 19 November. Attending the seminar were personnel from the Ministry of Construction, the State Commission for Restructuring the Economy, the Urban Construction Office under the State Council, the State Material Supply Bureau, and the Ministry of Finance; responsible persons from the general offices of the People's Bank of China, the Industrial and Commercial Bank of China, and the People's Construction Bank of China; and representatives of the offices in charge of conducting reform in housing affairs and of the (?relevant departments) of 23 provinces and municipalities across the country, including Beijing, Shanghai, Guangzhou, Shenzhen, Jiangxi, Guizhou.

During the seminar, the participants exchanged their experience gained in conducting reform in housing affairs and discussed the relevant issues concerning housing affairs reforms and real-estate loans.

Pei Yingwu, vice chairman of the autonomous regional people's government, attended the seminar and also delivered a speech.

Science & Technology

Increase in Satellite Communications Growth Noted

OW2011091690 Beijing XINHUA in English
0745 GMT 20 Nov 90

[Text] Beijing, November 20 (XINHUA)—China is boosting satellite communications at an increase of 35 percent each year, "PEOPLE'S DAILY" reported today.

The overseas edition of the national paper said the country has set up six large international ground satellite stations to connect the country with 180 other countries and regions via satellite.

China has succeeded in launching two telecommunication satellites since 1988.

So far, the country has 12 satellite transponder stations and more than 20,000 ground satellite receiving stations.

The paper noted that the country is preparing to build more domestic ground satellite stations to meet the needs of the telecommunications boom.

Li Ximing on High Technology Industry Development*OW2211192490 Beijing XINHUA in English
1612 GMT 22 Nov 90*

[Text] Beijing, November 22 (XINHUA)—Li Ximing, member of the Political Bureau of the Central Committee of the Communist Party of China, said here today it should be based on self-reliance to develop the hi-tech industry.

When visiting an exhibition of the Beijing hi-tech laboratories, Li Ximing said that it is necessary to rely on China's own technology and personnel to develop the hi-tech industry as soon as possible.

Since 1986, 10 hi-tech laboratories have been set up in Beijing. They include laboratories of optical fibers, plant cell engineering, analogue integrated circuits and electronic measuring technology.

These laboratories have completed 41 research projects. Many of the research results have been gradually applied into production.

Song Jian Attends Fast-Neutron Reactor Ceremony*OW2111193290 Beijing Television Service in Mandarin
1100 GMT 20 Nov 90*

[From the "National News Hookup" program]

[Text] A foundation stone laying ceremony was held in Beijing yesterday for our country's Fast-Neutron Breeder Reactor Center. This signalled that China's technology for the peaceful use of atomic energy has entered a new stage. [video opens with shots of Song Jian and others at a construction site, cuts to show him breaking ground, followed by shots of him looking at a model]

State Councillor Song Jian attended the ceremony and delivered a speech.

The Fast-Neutron Breeder Reactor Center project consists mainly of a test reactor and an installation for conducting experiments with the reactor. The 20,000-kw test reactor is expected to be completed by the year 2000. After the completion of this project, China will become one of the few countries in the world with fast-neutron breeder reactors.

Since 1987 when the fast-neutron breeder reactor project was included in the 863 high-tech development program, some research results have been achieved in this field. Our country has adopted the pressurized-water type for the first generation of reactors for its nuclear power plants. Following the pressurized-water reactors, the fast-neutron breeder reactor will be an advanced type of reactor to be adopted for the second generation of nuclear power plants in our country.

Application of Computer Fault Technology Noted*OW1711105190 Beijing Television Service in Mandarin
1100 GMT 17 Nov 90*

[From the "National News Hookup" program]

[Text] [Video begins with long shot of a hall and pans to show audience and spokesman making speech] A press briefing on computer fault tolerance technology was held in Beijing today. Over 400 people, including Wang Guangying, vice chairman of the CPPCC [Chinese People's Political Consultative Conference] Seventh National Committee; leaders from ministries and commissions of machine-building and electronics industry, post and telecommunications, finance, foreign economic relations and trade; and computer experts attended the session.

Fault tolerance technology, a specialized technology in the development of computers, enables a computer to function normally even when there is a breakdown. This is significant for such areas as finance, communications, transport, defense, and energy resources. Fault tolerance has become the definite direction for computer technology development in the 1990's. [video shows people working in a computer room]

At present, this type of fault tolerance computer can only be produced in the United States. China already has five cooperation projects with an American fault tolerance computer company in finance, civil, and other uses.

(Wang Jizhong), chief designer of the 11th Asian Games Computer Project Headquarters, said in the session: Because of the overall success in using the fault tolerance technology in the Asian Games telecommunications network project, the outside world deemed this to be the most successful application of the technology since the Los Angeles and Seoul Olympics.

Correction—Communications Satellites Use Banned*OW1811155190*

The following correction pertains to the item headlined "Unauthorized Communications Satellites Use Banned," published in the 16 November China DAILY REPORT, page 39:

Column two, second full paragraph, last sentence, make read: ...upward EIRP [effective isotropic radiated power], frequency band width.... (correcting and expanding acronym)

Military**Yang Baibing Emphasizes Party Building in Work***OW2111183590 Beijing XINHUA in English
1602 GMT 21 Nov 90*

[Text] Beijing, November 21 (XINHUA)—The political work in the Chinese People's Liberation Army (PLA) next year should focus on party building, particularly the

building of the grass-roots party branches, so as to strengthen the militant power of the Army, said a senior officer.

Addressing a PLA army conference on strengthening grass-roots party building which was held here from November 15 to 20, Yang Baibing, secretary general of the Central Military Commission and director of the PLA General Political Department, fully affirmed the achievements in the construction of the party in the Army.

He pointed out that in the construction of the grass-roots party branches, it is necessary to focus on strengthening the weak links in party building and enhancing the party leadership.

He stressed that it is necessary to improve education in the absolute leadership of the party over the Army and the organizational life to fundamentally raise the militancy of party branches.

He said by enhancing the construction of the party branches, the party members will be given an education in the fine traditions of democratic life within the party.

Role of Naval Research Center Examined

HK2011063490 Beijing CHINA DAILY in English
20 Nov 90 p 4

[By Yao Yu]

[Text] Working from a grey building complex in Beijing's southwestern suburbs, a group of officers and researchers provide consulting services for the Chinese Navy.

With a staff of some 1,000 men and women covering 160 specialties, the China Naval Research Centre, established in 1983 as the first think tank for the country's military, conducts both strategic planning and specific project-designing.

The centre is currently working on such issues as sea battles in the 21st Century and China's strategy in fighting them, according to Liu Baohua, vice-president of the centre.

"Now the centre is an indispensable link in the navy's decision-making process," Liu said.

All major strategic planning programmes and new equipment development projects have to go through strict feasibility studies here before being implemented, he said.

The centre is entrusted with revising, putting-off, or even vetoing projects which researchers deem incomplete, incompatible with the present situation, or irrational, Liu said.

Moreover, the centre puts forward valuable development proposals to naval headquarters and to the Central Military Commission.

"Foresight and forethought have helped decision-makers avoid mistakes and formulate correct policies," Liu said.

The centre has already completed more than 1,000 projects, which, Liu said, have promoted the navy's development.

But he said scientific practice essential for the navy was long ignored in the past and many projects had failed to achieve the expected results for lack of essential precautions.

Liu joked that leaders then used to "make decisions by patting their heads."

For instance, the navy once decided to develop a small submarine. But when the hull of the vessel was completed, people suddenly realized that many other parts couldn't be installed because they weren't in the required proportions.

The navy's scientific research institutions then had little say in decision-making. "They merely carried out orders," Liu said.

It was not until the early 1980s that the navy sensed the need to modernize its policy-making process. And the idea of organizing a think tank, just as in some foreign countries, was raised by some foresighted [as published] senior naval officers.

Ten percent of the centre's staff are senior researchers and engineers.

And the centre enrolls 30 to 50 students in master and doctorate programmes each year as its human reserves.

Each researcher is required to grasp a wide range of knowledge and to specialize in at least one field, Liu said.

"Modern warfare demands the centre be a reservoir of talent," he said.

The function of the think tank is of special significance today when the armed forces are suffering from a fund shortage and since its numbers were cut by 1 million between 1985 and 1987.

The centre's successful consultations on many technological renovation projects, such as squelching noise aboard warships and installing helicopters on warships, have saved large sums of money, Liu said.

"Our research aims to anticipate what future warfare will be like," Liu said.

The centre is now exploring possibilities for naval warfare in the next century and is planning strategy as well as designing new warships and weapons systems to meet the challenge.

A series of computer software programmes on battle tactics is being developed to help train naval officers.

Economic & Agricultural

Circular on Lifting Regional Market Blockades

OW2211151090 Beijing XINHUA in English
1440 GMT 22 Nov 90

[Text] Beijing, November 22 (XINHUA)—The State Council, China's highest administrative body, recently issued a circular calling for any regional market blockades to be lifted.

The circular, which was issued on November 10, noted that regional market blockades have recently spread.

The circular listed the following six requirements:

- Maintaining the autonomous rights of enterprises in production and operation. Enterprises which have fulfilled their state allocations, transfers, and purchase and selling quotas have the right to market their products over the entire country. In addition, industrial, commercial and materials supply enterprises have the right to purchase goods from any domestic region;
- Ensuring a smooth circulation of commodities. No locality or department shall set up outposts at roads, railway stations, ports or on provincial borders in an attempt to block the normal transportation of commodities without authorization;
- Strict enforcement of the state's management system of finance and taxation. No locality or department shall impose additional taxes on enterprises which deal with goods from other regions, or formulate punitive regulations, or exempt or reduce taxes on enterprises which deal with local products;
- In regards to terms of financing, banks in the various regions shall give equal priority to enterprises dealing with local products or products from other regions. No bank shall limit loans or raise interest rates for enterprises which purchase goods from other regions;
- Pricing administration departments shall improve price control and support commercial enterprises enabling them to conduct fair competition in purchasing and sales;
- All localities and departments shall prohibit or correct the wrongful practice of regional blockades and make efforts to readjust respective economic structures.

Large Growth in Spending Expected for 1990

HK2211021290 Beijing CHINA DAILY in English
22 Nov 90 p 1

[By staff reporter]

[Text] The Chinese are expected to spend a total of 954.6 billion yuan (\$184 billion) this year, 4.3 percent more than in 1989, according to the State Statistical Bureau.

The figure includes 131.2 billion yuan (\$25.2 billion) of institutional spending, 9.1 percent more than last year, and 823.4 billion yuan (\$158.3 billion) of individual spending, an increase of 3.4 percent.

But the rise in total spending will still be slower than the average increase for the past five years.

Compared with the previous five years, the increase rate of total spending in the Seventh Five-Year Plan period (1985-90) will drop by 5.1 percentage points, which will in turn result in a slow-down of institutional spending by 6.3 percentage points and individual spending by 5.1 percentage points.

Such a pattern has shown that institutional spending has been brought under effective control and the spending levels for individuals are rising, but at a slower pace, analysts with the bureau say.

However, this should not "influence the government's determination to control total spending," the analysts point out.

Since pay increases to State employees still outpaces that of national income and productivity in industrial enterprises, there still exists the potential for excessive consumer demand, they say.

During the entire Seventh Five-Year Plan period, capital accumulation will reach 2,009 billion yuan (\$386.3 billion).

Such an increase has provided momentum for the increase in national income in the Seventh Five-Year Plan period as well as laying a sound basis for future economic development, analysts say.

The accumulation rate in these five years should reach 34.3 percent, the highest among all the five-year periods since the founding of New China.

In the total accumulation in 1990, fixed assets will reach 306.1 billion yuan (\$58.9 billion). But working capital will top 188.2 billion (\$36.2 billion), 2.53 times that of five years ago and raising the increase rate to an average of 10.1 percent in the same period.

The sluggish development in fixed assets is largely caused by the government's austerity programme in 1989.

Bureau analysts attribute the rapid expansion in working assets to the sluggish markets and sales since last year.

Analysts say the fast-growing working capital represents an insufficient demand for investment in fixed assets and mounting inventory of products. This will affect the normal operations of the economy.

Regional Economic Cooperation Rapidly Develops

OW2211181290 Beijing XINHUA in English
0734 GMT 22 Nov 90

[Text] Xian, November 22 (XINHUA)—The deepening of the economic reform has helped bring about a rapid development of regional economic co-operation throughout China.

Experts from the first national symposium on regional economic co-operation, which opened in Baoji City, Shaanxi Province, northwest China, revealed that since 1983, 106 co-operation zones, including 60 inter-provincial zones, have been set up in the country.

In addition, over 1,630 civil enterprise groups and over 1,000 integrated technical and economic units composed of military industrial enterprises have been established.

Statistics show that since 1985, the country's provinces, autonomous regions and municipalities, have signed more than 500,000 economic and technical co-operation contracts. In the first six months of this year alone over 24,000 contracts were signed, of which 41 percent worth 6.3 billion yuan (1.2 billion U.S. dollars) were concerned with technical co-operation. These co-operative projects will increase output value by 15.5 billion yuan (three billion U.S. dollars).

The eight cities in the central part of Liaoning Province which surround Shenyang have established over 900 integrated economic units and have signed 3,941 contracts for technical co-operation projects. These projects alone helped increase output value by 3.64 billion yuan (700 million U.S. dollars).

Other regional economic co-operation zones, such as the Beijing zone which consists of 102 counties in nine cities and prefectures; the southwest China zone composed of Sichuan, Guizhou and Yunnan Provinces, as well as the Guangxi Zhuang Autonomous Region and the cities of Chongqing and Chengdu; and the 12-sided zone consisting of cities and prefectures on the borders of Shaanxi, Gansu and Sichuan Provinces; have also produced great economic results.

Over 150 experts from throughout the country and a number of leading members of the departments under the State Council attended the symposium.

Solutions Urged for Enterprise Reform Problems

HK161114190 Beijing GUANGMING RIBAO
in Chinese 27 Oct 90 p 3

[Article by Guo Yuanxi (6753 0337 2522): "Problems Urgently Awaiting Solution in Our Country's Enterprise Reform"]

[Text] The ultimate goal of our country's enterprise reform is to adapt to the requirements of the development of a socialist planned commodity economy, and develop enterprises into a socialist commodity producer

and operator enjoying independence in business operations and bearing all profits or losses. Because there has as yet been no fundamental change in traditional concepts and models, however, enterprises, large- and medium-sized ones especially, still face some new contradictions. Viewed in terms of current and outstanding problems in enterprises and the requirements of improvement and rectification, recent enterprise reform in our country must urgently solve the following problems.

Efforts Should Be Directed to Internal Enterprise Reform, With the Enterprise Labor System and Distribution As the Focus

To be dynamic, an enterprise must be able to fully tap the activeness, wisdom, and creativity of all mental and physical laborers, so that each laborer can care about the enterprise's operations and effectiveness at his own post; and through the intimate relationships of his own work results and his deserved share of social honor and material benefits, thus really work as a genuine master. As the operation mechanism within the enterprise, however, has not yet been straightened out, laborers' motivation has remained low, production efficiency is low and, moreover, egalitarianism has developed along with rising wage levels. All these have seriously blocked the enterprise's technological progress and the raise in economic returns. For this reason, further reform in the enterprise labor and distribution systems has become key.

In the enterprise labor system, we must introduce a competitive mechanism with which to practise the survival of the fittest. Within the enterprise, the final goal of the labor system reform is to enable all laborers to freely choose, through competition, jobs suited to their ability, and to achieve a state where all enterprise laborers will have incentives as well as restraining mechanisms at their own posts. Specifically, in the labor system there must be for laborers, security as well as unemployment risks. To achieve this, in near terms we must, in a down to earth and serious manner, handle the structural, personnel, and post arrangements within the enterprise, securing backbone cadres in various production and work posts who have good political, technological, cultural, and physical qualities, and a highly developed sense of being the master. Extra workers will be allowed to engage in a variety of business operations; pursuing within the enterprise the measure of temporarily laying off workers while still retaining their posts, and this is to act as a guarantee that personnel in various departments within the enterprise will fulfill their own duty and be placed under strict discipline.

In the distribution system, we must pursue the policy of allowing a number of laborers to grow rich on honest labor, continue to explore the specific and actual forms of the principle of pay according to the amount of work, so that, on the basis of fair competition, laborers can enjoy differentiated income distribution according to different labor. Workers' income must be linked with the

condition of the enterprise business operations; workers must bear operation risks and become a common body with the enterprise sharing the same fate. Individual workers' income must adhere to the principle of pay according to the amount of work, so that there will actually be a state where more labor will gain more rewards, and vice versa, and no reward if there is no work, and in this way egalitarianism will be overcome. For this purpose, the existing enterprise wage system and egalitarian promotion system must be furthered reformed, and the principle is to distinguish the general compensation for workers' falling living standards as a result of rising prices, and the general workers' wage rise as a result of improved enterprise business operations, from material incentives for workers' creative labor. The former two should basically be equal while the latter one should have a bigger difference. Linking up workers' income with an enterprise's business operation inevitably results in such a contradiction that equally technically sophisticated laborers, working on the same job, will get different pay. This will inevitably cause the phenomenon where the high quality labor force flows toward enterprises with good operations, thus triggering competition among enterprises for quality labor. This will actively promote the improvement of enterprise operation management.

Encourage Technological Progress of Enterprises, Adjust the Product Mix, and Continually Open Up New Products

Our country's scientific and technological strength is solid, and the potential for converting and applying science and technology is large. Enterprises do not seem, however, to have a very strong demand for science and technology, are rather insensitive to market information, have a relatively poor capacity to open up new products, and have outdated product mix and low market adaptability. The output value of all new products of the country accounts for less than eight percent of total industrial output value, and that of hi-tech products also less than eight percent, while in many countries the output value of new products accounts for as high as 20 percent of total industrial output value and that of hi-tech products has also reached the two-digit level. Therefore, to fulfill the requirements of developing a socialist commodity economy and modern management, we must vigorously improve enterprise internal management to correct the extensive operation phenomena which suffers from a dearth of new products, low labor productivity, and low economic returns; concentrate on advancing enterprise technological renovation and progress; and building a number of enterprises which are high-level, advanced in science and technology, energy-saving, and leading the way in creating new products.

The chief measures for improving enterprise internal management are: Strengthen product quality management, drastically reduce raw materials and energy consumption, actively push for the study of, and creation of new products; make enterprises adjust to continually changing market needs and different consumption

levels, pay attention to information, self-consciously adjust their product mix, and work out a set of modern, effective management systems and methods on the basis of the study and popularization of foreign modernized management methods, techniques, and summing up enterprise management experiences.

Continue to Straighten Out the Relationship Between the State and Enterprises On the Basis of Adhering To, and Perfecting the Enterprise Contracted Management Responsibility System

The enterprise contracted management responsibility system has become the major form of our country's enterprise operation and is a realistic choice under the current situation. The current enterprise system in our country still needs, however, to be perfected and developed. Viewed as a whole, the focus of perfecting the system is to continue to straighten out relations between the state and enterprises to make the separation of powers really possible, all for the purpose of giving motivation to, as well as putting pressure on, enterprises.

The problems are: On the one hand, the enterprises' retained profit levels have been going down. Some enterprises must pay a variety of charges apart from the 55 percent income tax and contract profits. On the other hand, enterprises have been suffering from poor economic returns and are unable to effectively adjust to market response, resulting in sluggish product sales, serious backlogs, and a slower capital circulation rate. At present there are many enterprises across the country running on deficits, and a considerable portion of them are operational deficits; these enterprises survive on financial subsidies. Viewed as a whole, in a socialist planned commodity economy, the new operational mode and final goal which socialist enterprises are trying to build, is to have state macroscopic regulation and control, under which planning will be the guide, profit-earning the target, and to be market-oriented, based on contract, taking exchange of equal value as the principle, to be prompted by an enterprising spirit and to feel the pressure of competition; and while raising economic returns and social benefit [she hui xiao yi 4357 2585 2400 4135], to practise self decisionmaking in management and bear all profits and losses. Therefore, the enterprise contracted management responsibility system must continue to near this goal.

The present major mission is to rid state-owned enterprises of the restraints of the old systems, of their status of being an appendage to administrative organs; and to strengthen the vitality of enterprises, especially that of large- and medium-sized state-owned enterprises, the enterprising sense of workers, and gradually form within the enterprise, a suitable income differentiation among workers.

The relationship between a socialist state and state-owned enterprises is twofold: One the relationship between an owner and enterprises. To genuinely realize the separation of enterprises from administration, we must gradually detach these two relationships on the

basis of enterprise contracted management responsibility system. I personally think that separating taxes from profits on the basis of enterprise contract is the inevitable path for enterprise reform. But in specific implementation we need a clear estimate of the benefit distribution relationship between the state and enterprises, making sure that the state will have stable and increasing financial revenues, and enterprises will gain through their own efforts financial benefit for expansion. The key here is that the enterprise must have something as an incentive and, in particular, that it can fully tap the active potential of enterprise technological renovation and progress, and achieve a continual rise in enterprise labor productivity. At the same time, we should gradually change the practice of drawing from enterprises, retained profits funds for energy and traffic construction, and budgeted regulatory funds; and change the before-tax loan repaying to after tax. With this state-owned enterprises will really acquire the ability for self-appreciation, self-accumulation, self-transformation, and self-development, and thus form a self-restraining mechanism.

Conduct Checkups on Assets and Reevaluate State-Owned Enterprises, and Resolve the Problem of the Value-Maintaining Compensations and Appreciation of State-Owned Assets

Judging from the majority of enterprises, asset compensation for state-owned enterprises is seriously inadequate. There are an increasing number of cases of consuming state-owned "principal" capital, and this is specifically shown in the following: The fixed asset depreciation rate tends to be low; at the same time as drawing depreciation no consideration was given to rising prices; the book value of fixed assets is far below their current value and replacement cost. This will result in the spurious growth of enterprise profits and financial revenue, and hinder enterprise technological progress, and lead to a situation where state-owned fixed asset volume shrinks year by year.

To resolve the problem of a false representation of fixed assets owing to inflation and, consequently, the serious deficiency in depreciation compensation, the state should conduct a comprehensive evaluation of state-owned assets in the form of a state law at a suitable time, and reform the depreciation system. As a supporting measure for the general checkup on enterprise assets, the enterprise capital separate-account management system, based on current and practical conditions, should be adhered to and perfected, and property right relations should be determined. Generally speaking, before reform, all fixed assets and circulating capital used and occupied by the enterprise were listed as state capital. But after expanding enterprise self decisionmaking powers and the beginning of the practice of contracted management and responsibility system, an enterprise's retained profits, and the enterprise fixed assets and compensatory circulating funds obtained through the investment of retained profits, or enterprise fixed assets formed from after-tax loan repayment, should all be

listed as the capital of the enterprise. As for capital formed by before-tax loan repayment, the state and enterprises can between themselves, divide it into state capital and enterprise capital based on the state income amount and enterprise retained amount obtained by the current income tax rate. The portion that belongs to state financial interest payment in the form of a deduction, can in principle be divided into a certain proportion by loan rate calculation, and that proportion can then be divided into state capital and enterprise capital. When purchasing fixed assets with depreciation funds, state capital and enterprise capital can be verified and increased in the same ratio. When the enterprise draws a bulk repair fund and invests it in fixed assets, state capital and enterprise capital will also be verified and increased according to that same ratio.

Large-Scale Construction Enhances Strength

OW221184290 Beijing XINHUA in English
1311 GMT 22 Nov 90

[Text] Beijing, November 22 (XINHUA)—China's economic strength has been greatly enhanced during the Seventh Five-Year Plan period (1986-1990) due to large-scale construction.

The State Statistics Bureau reported today that China's growth rate is greater than many developed Western nations and most other developing countries.

The bureau officials predicted that China's GNP will reach an estimated 1,692.3 billion yuan this year—4.5 percent higher than last year.

Statistics show that during the Seventh Five-Year Plan period, China's GNP grew by 167.3 billion yuan annually. The growth rate during the period was greater than any previous period, which indicates the great enhancement of China's economic strength.

The 7.7 percent annual growth rate in GNP during the past five years was 2.4 percent less than the previous five years, but greater than in the third, fourth and fifth five-year plan periods.

China's industrial structure has tended to improve along with the growing economy. Due to the state's efforts to strengthen agriculture during the last two years, production showed a yearly recovery. This year's agricultural production is expected to rise by 4.4 percent.

However, during the Seventh Five-Year Plan period, development of agriculture remained slow, while industry and the service trades developed much faster.

Analysts point out that fluctuation is the main feature of economic performance during the Seventh Five-Year Plan period. The economy was overheated during the first three years as a result of seeking success regardless of actual conditions. The growth rate was inevitably slowed down in the last two years.

The fluctuations had a negative effect on efforts aimed at achieving a stable and co-ordinated growth of the national economy.

The analysts contend that an economic growth rate higher than developed nations is necessary for China, a developing country with a huge population. They suggest that a 6-8 percent growth rate would be appropriate and realistic during the next five years.

They say that the government should attach great importance to economic performance of enterprises.

Increase in Modernization Investment Reported

*OW2311102590 Beijing XINHUA in English
0840 GMT 23 Nov 90*

[Text] Beijing, Nov 23 (XINHUA)—China invested a total of 1,979.5 billion yuan during the Seventh Five-Year-Plan period (1986-1990), with a yearly average increase rate of 15.2 percent, so as to strengthen its economy and promote the modernization.

Compared with the previous plan period, more funding was channeled into basic industries and infrastructure. The sum appropriated for production enterprises and technical renovation of the existing enterprises increased and the construction of key projects recorded new achievements, according to the State Statistics Bureau.

During the period, the government invested a total of 295.5 billion yuan for 306 key projects, twice as much as in the previous five years. So far, 128 key projects have gone into operation. And 162 key projects still under construction will be continued in the next five-year period.

In the energy industry, 29 underground and one opencut coal mines were completed in the first four years, adding a capacity of 50.25 million tons. Seven newly developed oilfields added 15.87 million tons of extraction capacity. Out of the 85 key electricity projects, 36 have already been completed, boosting generating capacity by 18.69 million kw.

In the raw materials industry, 22 out of the 53 key projects were completed and went into operation during the first four years, including the Tangshan Soda Factory, which produces 600,000 tons of soda ash each year, and Shanghai's Yaohua Pilkington Glass Company, which is a Sino-British joint venture.

In the field of transportation and telecommunications, 17 out of the 66 key projects were completed, such as the 652-km railway linking the Datong Coal Mine and the port city of Qinhuangdao.

During the seventh five-year period, major capital construction projects added the following capacities: 130 million tons of coal, 45 million kw of electricity, 63 million tons of petroleum, 6.6 million tons of iron, 5.1 million tons of steel, 23 million tons of iron ore, 1.7 million tons of

chemical fertilizer, one million tons of plastics, 18.7 million tons of cement, 330,000 tons of machine-made paper, 600,000 tons of machine-processed sugar, 3,400 km of railway lines, 18,000 km of highways and a port handling capacity of 149 million tons.

In the five years about five billion sq m of housing were built, one billion sq m more than the previous five years. In 1989 the per capita urban housing space in China was 6.6 sq m, 1.4 meters more than in 1985.

Despite these achievements, problems still exist. For instance, the over-large scale of capital investment has made the imbalance between total supply and total demand more acute and fueled inflation. There is still much room for the adjustment of the capital structure and improvement of investment effectiveness.

Experts suggest that planning and extra-budgetary investment should be more closely controlled and that laws should make clear the responsibilities, rights and benefits of investors.

Rural Enterprises Considered 'Important Component'

*OW1611092890 Beijing XINHUA in English
0855 GMT 16 Nov 90*

[Text] Beijing, November 16 (XINHUA)—The total output volume of China's rural enterprises is expected to reach 950 billion yuan this year, 200 billion yuan more than in 1989, according to the Overseas Edition of today's "PEOPLE'S DAILY".

The figure will make up 26 percent of the gross social product and 58 percent of the total rural social output value.

And the total industrial output volume of the rural enterprises accounts for 30 percent of the country's.

After ten years of effort, rural enterprises have become an important component part of China's national economy.

In 1978 the total industrial output volume of the rural enterprises was 49.3 billion yuan, accounting for seven percent of the gross social product and 23 percent of the total rural social output value. Chen Yaobang, vice-minister of agriculture, said recently at a meeting on supply and marketing work of the national rural enterprises.

Focus Returning to Rural Industrial Growth

*HK2211020490 Beijing CHINA DAILY in English
22 Nov 90 p 1*

[By staff reporter Li Hong]

[Text] The Chinese Government plans to speed up development of rural townships in the next decade in a bid to provide more jobs for the increasing surplus labour force among its farmers who now total over 900 million, a senior official has revealed.

Leading government planners have stressed that enormous economic and social benefits would be created by absorbing rural surplus labour estimated at 100 million into developing the townships' industrial sector.

Construction Minister Lin Hanxiong said yesterday that the new rural towns and centres could benefit from the joint efforts and funding of both the government, collective and private sectors.

The minority areas and outlying poorer areas will have access to subsidies from the central government.

The government will continue to encourage the construction of farmers' housing to keep pace with their rising living standards, while calling for more attention to housing quality and variety and preserving the country's farmland, Lin said.

Rapid development of rural townships, whose scale is smaller than urban counties, symbolized the changes taking place in China's rural areas since late 1978 when the country reform its rural economy by adopting the household contract responsibility system.

In the past 11 years, the country's number of townships has increased over fivefold to the present number of 11,000, and have become rural centres of industry, commerce, services, culture and technology.

Statistics show that the industrial output value of townships in Jiangsu, Zhejiang and Shandong provinces accounted for 49.1 percent, 48 percent and 41 percent of their respective gross industrial production in 1989.

And the 118 towns in Wenzhou, Zhejiang Province, absorbed 1.2 million rural farmers, 40 percent of the total rural population in that area.

In addition to the mushrooming township industry, farmers' living conditions have also greatly improved, Lin said.

More than 6.7 billion square metres of accommodation were built during the 1979-1989 period, bringing China's per capita housing area for rural farmers from 10 square metres in 1978 to 19.5 square metres last year.

Moreover, over 165 million rural residents now have tap water, and 64 percent of villages have electricity.

Trends, Statistics on Agricultural Investments

HK2211021090 Beijing CHINA DAILY in English
22 Nov 90 p 3

[By staff reporter]

[Text] Farmers are investing more money in farming and spending less on consumer goods than they did last year,

while inflation had caused their real income to drop by 3.7 percent, an investigation by the State Statistics Bureau has found.

During the first three quarters of this year, each farmers' average investment in the growing of crops was 74.6 yuan (\$14.3), an increase of 9.8 percent compared with the same period last year.

Investment on the growing of crops constituted 60.1 percent of the total investment in household production, while last year's was 56.2 percent.

The investigation also showed that while cash investment increased in farming, construction and transportation, cash investment decreased in afforestation, animal husbandry, fishery, handicrafts, industry, and commercial and service productions.

During the first three quarters of this year, each farmer spent an average of 278.8 yuan (\$53.5) on consumer goods, a decrease of 0.8 percent compared with the same period last year.

While farmers spent a little bit more on such daily necessities as food, clothing and fuel, they spent less on building houses.

Although spending on detergent increased 1.8 percent, spending on soap decreased 5.1 percent, on bicycles 19 percent, on sewing machines 26.9 percent, on clocks 11.4 percent, on watches 34.8 percent, on electric fan 0.6 percent, on washing machines 33.3 percent, and on refrigerators 35.1 percent.

Spending on sofas also decreased 21 percent, on desks 21.8 percent, on radios 26.4 percent, on black and white TVs 6.4 percent, on colour TVs 1.6 percent, on tape recorders 56.7 percent and on cameras 18.7 percent.

Beside consumer goods, spending on study fees increased 15.8 percent, and on technical training 5.5 percent. Spending on medical services also increased 21.8 percent, on transportation 17.2 percent, and on electricity 29.2 percent.

The main reason for the decrease in spending on consumer goods was that although farmers' cash income increased, real income decreased 3.7 percent when inflation was taken into account.

The sale of farming products was the main means to increase income, the investigation showed.

Cash earned by selling grain increased 10.5 percent, cotton 193.8 percent, oil 35.3 percent, sugar 26.3 percent, and tobacco 2.1 percent.

But cash income from the sale of vegetables decreased 3.2 percent, fruit 6 percent and tea 7.4 percent.

Cash income from rural industries and service industries also decreased.

East Region

Fujian Appoints Jia Qinglin as Acting Governor

OW2111150590 Beijing XINHUA Domestic Service
in Chinese 1414 GMT 21 Nov 90

[By reporter Cai Guicun (5591 3802 2625)]

[Text] Fuzhou, 21 Nov (XINHUA)—The Standing Committee of the Fujian Provincial People's Congress held its 18th session today. The session accepted the resignation of Wang Zhaoguo from the post of governor of Fujian and decided to appoint Jia Qinglin as vice governor and acting governor of the province.

Jia Qinglin, 50, is a deputy secretary of the Fujian Provincial CPC Committee.

Shandong Secretary Speaks on Party History

SK2211112690 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 21 Nov 90

[Text] The Shandong provincial leading group in charge of the exhibition on local party development and the province's achievements scored in building socialism sponsored its first meeting in the meeting room of the provincial party Standing Committee on the afternoon of 21 November.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting with the participation of Ma Zhongcai and Tan Fude, members of the provincial party Standing Committee; veteran comrades from the provincial level organs, including Gao Keting; and responsible comrades from the provincial level departments concerned and the Jinan city level organs.

During the meeting, Jiang Chunyun delivered a speech in which he pointed out that the 70th anniversary of the CPC's founding will fall on 1 July 1991 and that through the commemorative activities of the occasion, we should publicize the great achievements scored by the party in leading the Chinese people to engage in the revolution and to build socialism and should vigorously propagandize the party's glorious history. This has a great and practical bearing on fighting the Western plot of peaceful evolution, eliminating the influence of bourgeois liberalization, enhancing the party building, carrying forward the party's fine tradition and work style, and bringing the party's core or leading role into better play.

Through the discussion, the provincial party committee has decided to hold an exhibition in the city of Jinan on 1 July 1991 on the great achievements scored by the province in developing local party organizations and building socialism to mark the 70th anniversary of the CPC's founding. The exhibition will consist of the following two parts: One is the achievements scored by the province during the new democratic revolutionary period, and the other is those scored during the period of

building socialism. The exhibition will reveal the glorious achievements scored by the provincial party organizations in, under the leadership of the CPC Central Committee, having the party achieve development out of nothing and become strong from weak and large from small; and in leading the people across the province to wage arduous struggles against imperialism, feudalism, the Kuomintang reactionaries, and various reactionary forces; as well as will reveal the great achievements scored by the province since the founding of the PRC in building socialism.

At yesterday's meeting, the participants held a discussion on the namelist of leading personnel who will be in charge of making arrangement and preparations for the exhibition and on the exhibition period and funds, and appraised the project of building the province's exhibition hall of party history at the Wulongtan Park of Jinan City in 1991.

Shandong Strengthens Training of Young Cadres

SK2011042690 Jinan DAZHONG RIBAO in Chinese
29 Sep 90 p 1

[Report by Lu Zutong (7627 4371 1749): "There Are 250,000 Cadres 45 Years Old or Below in Our Province"]

[Text] Over the past years, party organizations at various levels in our province adopted overall measures and implemented long-term strategic plans to strengthen the work of training young cadres, and paid attention to training successors for this century and next.

So far, the party and government organs at various levels in our province have more than 250,000 young cadres 45 years old or below, accounting for 69.8 percent of the total office cadres. In 10 to 20 years, this group of young cadres will become the hard core of the party and government leading cadres at various levels in the province. The provincial party committee formulated a long-term strategic plan for vigorously strengthening the work of training young cadres.

The provincial party committee systematically trained young cadres with the focus on upgrading their understanding about Marxist theory. The committee used party schools at various levels and adopted the forms of opening discussion classes and special training courses in order to emphatically teach them the basic principles of Marxism and the party's basic line and knowledge. Simultaneously, the committee also taught principal leading cadres the science of leadership, gave professional training to fairly-matured cadres who are to enter leading bodies in the near future, and gave training classes with records of formal schooling to the cadres whose educational levels were comparatively low. Over the past years, the province trained more than 20,000 young leading cadres at or above the county level.

The provincial party committee adopted the form of having cadres to take on grass-roots jobs or undertake

village work on a contracted basis in order to enrich their grass-roots work experience. Since 1985, party organizations at various levels across the province have successively selected 47,000 young cadres and sent them to the grass roots for one or two years of practical training. Of these, 17 are cadres at the department and bureau level, 700 are cadres at the county level, and 8,574 are cadres at the section level.

The provincial party committee carried out the method of transferring, in rotation, cadres to other levels to comprehensively upgrade their ability in leadership. To date, 7,400 young cadres have been transferred. The province successively assigned 2,824 young cadres to undertake the tasks of rectifying the party, supporting the poor, "conducting elimination in two spheres," and conducting special investigations. Statistics show that so far, more than 80 percent of well-trained young cadres have been promoted to leading bodies at or above the county level.

Shanghai Elects Non-Communists to Leading Posts

HK2111125090 Beijing RENMIN RIBAO in Chinese
9 Nov 90 p 1

[XINHUA report by correspondent Ji Xiaodong (1323 2556 2639) and reporter Yan Weimin (0917 5898 3046): "A Number of Non-Communists Elected to Leading Posts at the District and County Levels in Shanghai"]

[Text] Shanghai, 8 Nov (XINHUA)—This year, some 45 more democratic party and nonparty personages have been elected to the leading posts of administrative organs or departments at the district and county levels in Shanghai. At present, among the bureau-level cadres in Shanghai, there are 43 non-CPC personages, and among the cadres at the section chief level, there are 1,200.

During this year's election for the district- and county-level leading bodies, the CPC committees of various districts and counties nominated a number of non-CPC personages as the candidates. As a result of the election, 18 of them were elected deputy district (or county) heads and 27 were elected leaders of various committees, offices, and bureaus of district or county governments. It was learned that more democratic party and nonparty personages will soon be appointed to the leading posts at the district and county levels or leaders of district and county departments.

The election of non-CPC personages to the leading posts of government departments has aroused serious attention of various districts and counties in Shanghai. The secretary of the Zhabei District CPC Committee has repeatedly visited the united front work department in order to examine and carry out this work. At present, there are two democratic party personages holding the chief leading posts of the collective management bureau [ji guan ju 7162 4619 1444] and education bureau in this district. Many districts and counties also demand the personnel department give priority to the election of non-CPC personages to head the educational, science

and technological, health, cultural, supervisory, audit, and price departments and to appropriately relax age and qualifications restrictions for non-CPC personages.

In various districts and counties of Shanghai, a total of 143 democratic party and nonparty personages are holding the posts of special supervisor for rectifying the CPC's party style, clean-government supervisor for government departments, price inspector, special supervisor, and educational inspector.

The CPC committees of various districts and counties of Shanghai are all making great efforts to systemize and regularize the work of training and using non-CPC cadres. The three-level management system and the measures for training and examining non-CPC cadres, which have been adopted by the Huangpu, Luwan, Nanshi, Changning, and Yangpu districts and Chuansha and Fengxian counties are all useful attempts in this respect.

Zhejiang Military Leaders View Conscription Work

OW2111130990 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 20 Nov 90

[Text] For the last few days, provincial military leaders including Yang Shijie, Xu Yongqing, (Chen Yuexin), (Nie Quanlin), and (Liu Guangping), director of the provincial conscription office, visited Hangzhou, Jiaxing, and other areas to inspect this year's winter conscription work.

On the morning of 15 November, Commander Yang Shijie visited a physical check-up station in Hangzhou City's (Xiacheng) district and warmly talked with the doctors and conscripts there. Yang Shijie called on comrades at the People's Armed Forces Department to follow the policy and strictly check with the educational level of the conscripts. He particularly stressed checking the political level of conscripts. On the same day, Political Commissar Xu Yongqing inspected conscription work in Yuhang County, and fully affirmed their results. Yuhang County not only has launched civilized conscription activities but also has ensured the quality of new conscripts. Xu Yongqing expressed the hope that people in Yuhang County would sum up experiences and carry on the good work. (Chen Yuexin), (Nie Quanlin), and other provincial military leaders also inspected conscription work in Jiaxing and in Hangzhou's West Lake region. They called on all to work hard continuously to fulfill successfully the task of this year's winter conscription work.

Southwest Region

Sichuan Secretary Writes on Farming, Education

HK2211045490 Beijing RENMIN RIBAO in Chinese
5 Nov 90 p 3

[Article by Yang Rudai, secretary of the Sichuan Provincial CPC Committee: "Using Science and Technology To Promote Agriculture, Laying the Foundation of Education"]

[Text] Agriculture is the basis of the national economy. The development of agriculture has a direct bearing on political, economic, and social stability; state security; and the realization of the four modernizations. It is our priority task to concentrate our resources to promote agriculture and to strive for a steady growth in agriculture and the rural economy's revitalization.

The past 10 years of reform witnessed tremendous changes in our rural areas and achievements acknowledged worldwide in China's agriculture. Fundamentally speaking, however, China's backward agriculture is still an important factor affecting the country's economic development. Although China is a large agricultural country, it provides for 22 percent of the world's population with only seven percent of the world's farmland. Sichuan is a large agricultural province which provides for 10 percent of the country's population with only 6.7 percent of the country's farmland. In the wake of population growth, the decrease in farmland area, and the improvement in the people's living standard, the provision of food has become a heavy burden on the country, especially on Sichuan Province. In order to change this situation and to ensure the rural economy's sustained and steady growth, we must keep a strong sense of agriculture as the basis for economy and uphold the principle of relying on three factors—namely, first, policies; second, science and technology; and third, investment.

Of these three factors, science and technology has the greatest potential—after all, the rural economy's development depends on the widespread application of science and technology, which depends in turn on the improvement in the quality of the vast number of laborers. Take Sichuan, for example: Only less than one-third of the available well-developed agricultural scientific and technological items have been applied to agricultural production. This is a terrible waste indeed. How can we transform advanced scientific and technological know-how into real productive force? We can only rely on education and achieve our goal by substantially improving the quality of the vast number of laborers. In this connection, we have explicitly put forth the strategic principle of "using science and technology to promote agriculture, laying the foundation of education." To implement this principle, our rural educational system must undergo a comprehensive reform, and education must foster technical personnel for local socialist construction, to boost local economic and social development, and to help the peasants get rich.

Education reform has been carried on unremittingly since the 11th CPC Central Committee's Third Plenary Session. However, the past reform was not integrated or complex. Rural education was not considered as a whole, still less was it regarded as a part of the whole social and economic development program. For this reason, the reform did not score remarkable results. In the mid 1980's, rural education in Sichuan began to embark on an overall reform. However, since the reform was carried out on a small scale and was confined to the field of

education, the situation in which rural education is divorced from the rural reality has not been substantially changed. As far as education is concerned, the rural education system's ongoing experimental complex reform is an integrated and synthetic reform of all the aspects and links of education of different categories at different levels in rural areas, which is aimed at enhancing the rural laborers' ideological and political understanding and cultural and technical level, turning rural Sichuan's heavy population burden into a rich human resource, and making full use of rich resources both on and under the ground. In terms of the relations between education and other sectors, this reform is to establish a mechanism in which education develops along with economy and science and technology in a complementary and coordinated way and to open up a road to socialist rural modernization with Chinese characteristics.

The rural education's complex reform is an integrated reform for a combined goal—the rural economy's reinvigoration, scientific and technological progress, and educational prosperity. It is a system engineering project of fundamental significance. If this reform succeeds, it will not only give an impetus to local social and economic development but also play an essential role in consolidating the alliance of the workers and peasants, strengthening the party's leadership over rural areas in the new period, and upholding the socialist road. In my opinion, to implement the strategic principle of "using science and technology to promote agriculture and laying the foundation of education" and to properly carry out rural education's complex reform, at present we must emphasize the following questions:

1. Strengthen Party Leadership, Give Full Play to Local Government's Coordinating Role

Rural education's complex reform has a bearing on the whole situation. It cannot be undertaken by any single sector alone but demands that the party committees and governments at all levels strengthen leadership and the government's coordinator role be brought into full play. To put it more precisely, the government must centralize the planning of economic development, application and popularization of scientific and technological achievements, and training of technical personnel; work out measures and start projects in a unified way; coordinate fund raising and allotment; and centralize the distribution of teachers and technical resources and the use of teaching facilities and work-study centers. In the process of coordination, principal leading cadres must take care of the matter in person; take the speeding up of economic growth in rural areas as the key task; ensure that education, scientific and technological research, agriculture, planning, finance, labor, personnel, and other sectors will coordinate with one another and support one another; help develop a service system for agriculture

which integrates training technical personnel and popularizing science and technology; and earnestly implement the principle of "education serving socialist construction, and socialist construction relying on education."

Now that we have practiced the level-by-level administration of rural education, many tasks have been assigned to counties (cities and districts). Therefore it is important for us to strengthen coordination within a county (city or district). County level governments must attach importance to implementing the principle of "using science and technology to promote agriculture, laying the foundation of education" and the rural education's complex reform, undertake this project as a key task, ensure that all sectors will reach a common understanding and act in a well coordinated manner, draw up a practical and feasible plan, incorporate it in their general plan for local economic and social development, and implement it step by step. At the same time, they must introduce the responsibility system at all levels, clearly define the scope of coordination for districts and townships, and earnestly do some practical work and solve some practical problems.

2. It Is Necessary To Take the Road of Combining Agriculture, Science and Technology, and Education

In the wake of the rural economy's diversified development, the situation in which agriculture, science and technology, and education are separated no longer suits the need of the development of rural productive forces. The combination of agriculture, science and technology, and education is a natural demand that arises at a certain stage of the productive forces' development.

In rural areas, agriculture, science and technology, and education are very closely related. Agriculture is the object that science and technology and education serve; science and technology is the key to agriculture's reinvigoration; while education is the carrier and basis that transform scientific and technological achievements into productive forces. As everyone knows, the speed of science and technology's popularization and assimilation is directly proportional to the educational standard. The rural areas' economic development level is directly proportional to the educational standard, too. The combination of agriculture, science and technology, and education can effectively change the situation in which the three sectors are divorced from each other, enable them to join forces, and thus promote the rural economy's development.

Agriculture, science and technology, and education are linked together at a junction which also serves to link the three programs, namely, the "Spark," "Prairie Fire," and "Good Harvest" plans. The "Spark" plan mainly aims at technological development; the "Prairie Fire" plan mainly aims at training technical personnel and popularizing technology; while the "Good Harvest" plan emphasizes the application of technology. Of course, there are overlaps among these three plans. But they are

combined together at the county or township level. At that level, the three sectors need coordination so that their own advantages can be brought into full play. They need to share work among themselves, support one another, and work together to boost the development of economy, society, education, and science and technology in rural areas. Our leading people at all levels must gain a full understanding of the importance of the combination of agriculture, science and technology, and education as the only way out for us to deepen the rural economic, scientific and technological, and education reform. It is necessary to adopt the concept of combination of agriculture, science and technology, and education and to rely on large-scale education and scientific and technological research in the development of large-scale agriculture. This province's counties (cities) of Guanghan, Wenjiang, Renshou, Dazhu, Hechuan, and Xuyong have made a start in this attempt and have achieved initial success. Their practice has shown that agriculture, science and technology, and education will prosper if they are combined together, and will wither if they are divorced.

3. Optimize the Education Structure and Properly Coordinate "Education's Three Categories"

Coordination among "education's three categories" means to enable the basic, the vocational and technical, and the adult education to complement each other, develop side by side, and thus form an optimal education structure, so that ordinary schools, vocational training schools, and schools for adults will all serve as institutions to spread knowledge, offer training, and, as important places to popularize applied techniques and eliminate illiteracy, will assist local economy and social development.

Within the education sector, ordinary schools, while doing a good job in compulsory education and providing other, higher level schools with qualified students, must actively introduce some vocational and technical education, properly run courses in applied techniques, and earnestly carry out the system of "division of classes" after forms two and five, the system of "three plus one" for junior and senior secondary schools, and the system of practical technical training for post-junior-secondary and post-senior-secondary school pupils. Medium-level vocational training schools should adopt various programs, offer courses of different time spans, try to combine pre- and post-employment training, and stress the fostering of a large number of medium- and elementary-level technical and management personnel for rural areas. Sichuan's Wanyuan County, which is situated in the Daba Mountain area, has devoted great efforts to developing education and fostering qualified personnel in rural areas in the past few years. They have paid much attention to offering training to secondary school graduates who returned to their home villages, encouraged them to learn one kind of practical technique or another, and trained them into backbone technical personnel who are expected to play a leading role in helping their fellow villagers eradicate poverty and become rich. Township

(town) schools for peasants should take elimination of illiteracy as their key task, stressing teaching practical techniques that need short training time and small investment but can produce quick economic returns. They should also offer training to cadres at and below the township level. On the other hand, while emphasizing coordination between "education's three categories," we must also give full play to the strong points of institutes of higher learning, develop a structure of personnel training and scientific and technological education with primary and secondary education as its foundation, medium-level vocational and technical education as its mainstay, adult education as one of its major sections, and higher education as its backing, and thus maintain a good balance between education and economy.

As an inland province, Sichuan has vast territory, complicated natural conditions, and a very unbalanced economy. To launch a complex reform of rural education, we must take reality into consideration, give specific guidance in accordance with local conditions, and stress key links. We must never indiscriminately apply the same mode to all cases and demand uniformity in everything. We should select some spots to start pilot projects and then extend the reform to other counties and townships around them, spread the successful experience of these selected spots to other places in an organized and planned way, and thus launch a reform of rural education throughout the province. Of all the counties of Sichuan, 25 have a population of over 1 million each, and their population alone makes up one-third of the province's total population. All these counties are large agricultural counties but are impoverished. All are faced with an underdeveloped economy and many other problems, but they have great potential. To concentrate our attention on these counties means to grasp the major problem in Sichuan's rural education. When giving specific guidance, we must set much store in rural education's complex reform in these large counties with a million population each.

In the wake of society's economic development and the education reform's in-depth development, the content of rural education and the scope of coordination will be gradually expanded. Those to receive education should include all those who have learning ability, and the content of education should include all educational activities in rural areas. Therefore, we must do our best to promote the integration between education and science and technology on the one hand and economic and social life on the other, try to properly handle the relations between "service" and "backing," and make our due contributions to the economic development and social progress in Sichuan Province.

Yunnan Secretary Discusses Party School Work

HK2211135090 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 21 Nov 90

[Text] The conference on party school work, which was convened by the Yunnan Provincial CPC Committee, began in Kunming yesterday morning.

Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee and president of the Yunnan Party School, presided over the opening ceremony and delivered a speech.

Pu Chaozhu said: We must fully understand the strategic significance of arming all the cadres of our party with Marxism under the new historical conditions and acquire in-depth understanding of both the importance and the urgency of strengthening party building and improving the political, ideological, and theoretical qualities of all party cadres in light of both the domestic and the international situations, the present status quo of our party, and the realities of building socialism with salient Chinese characteristics in order to successfully run party schools.

Pu Chaozhu said: Party schools are not ordinary institutions of higher learning and thereby should not only demand students to learn but also train students to analyze and solve realistic problems with a Marxist stand, viewpoint, and method, take a firm proletarian stand, oppose and resist bourgeois liberalization, always adhere to a firm and correct political orientation, have firm faith in socialism, develop unswerving courage and strong ability to work hard to fulfill all types of tasks given by the party, wholeheartedly serve the people, forge closer ties with the masses, work hard and live a plain life, honestly perform official duties, diligently work for the interests of the people, work in a down-to-earth manner, set a good example in implementing and carrying out democratic centralism, take into account the overall interests, and be good at uniting comrades, exercising leadership, and carrying out organization work to make greater contributions to the fulfillment of all types of tasks.

Provincial party committee Deputy Secretary (Liu Ronghui) delivered a written speech at the meeting.

Liang Jinqian, member of the Standing Committee and director of the Propaganda Department of the provincial party committee, (Wang Jiwu), deputy dean of education of Central Party School, and others attended the meeting.

Yunnan Police Seize 22 kg of Heroin From Burma

*OW2111171690 Beijing XINHUA in English
1517 GMT 21 Nov 90*

[Text] Kunming, November 21 (XINHUA)—Public security departments from southwest China's Yunnan Province on November 19 seized 22.381 kilograms of heroin in a crackdown on transnational narcotics trafficking.

Frontier guards from the Chinese People's Armed Police force stopped three persons suspected of smuggling narcotics across the border from Burma into Luxi County, in the Dai-Jingpo Autonomous Prefecture of Dehong, Yunnan Province.

One offender was fatally wounded after he disregarded the warning shots fired by the frontier guards and ran.

The local public security officials reported that two of the suspected drug smugglers held Burmese identity cards, and the third suspect was identified as a 23 years old male Chinese national from Baoshan Prefecture, Yunnan Province.

North Region

Shanxi Province Holds Economic Forum

HK2111150190 Taiyuan SHANXI RIBAO in Chinese
24 Oct 90 pp 1, 2

[Report by unidentified staff reporter: "The Provincial Party Committee and Provincial Government Held Economic Work Forum Calling for Inspiring Enthusiasm, Overcoming Difficulties, and Promoting Economic Work"]

[Text] On 22 and 23 October, the provincial party committee and provincial government held a provincial economic work forum to analyze the national economic development situation during the previous three quarters, to make arrangements for economic work during the last two months, and to call for strengthening leadership, inspiring enthusiasm, making concerted efforts, overcoming difficulties, and trying in every possible way to promote our province's economic work.

Governor Wang Senhao delivered a speech on the present economic situation and the work during the last two months. The leaders of the provincial party committee, provincial Advisory Commission, and provincial government; the secretaries of all prefectural and city party committees; commissioners, mayors, and responsible comrades from the departments and bureaus in charge of economic work directly under the provincial government and the relevant units, who were attending the forum, conducted serious discussions. Comrade Feng Zhimao made a report on inspecting the implementation of the resolutions from the sixth plenary session of the CPC Central Committee. In conclusion, Li Ligong, secretary of the provincial party committee, delivered a speech.

Our Province Has Made New Progress This Year in Economic Work But Has Yet To Tide Over the Difficult Situation and, in Particular, the New Situation Which Emerged During the Third Quarter Warrants Attention

The forum held that our province had made new progress in economic work this year and the national economy had developed in a good direction. The agricultural situation is very good and it is estimated that the gross output of grain may amount to a record 9.5 billion kg. Industry keeps growing at a certain speed. The gross industrial output value of the whole province from January to September was 27.37 billion yuan, an increase of 4.8 percent over the same period last year. The market is comparatively stable and the range of

price increases has been controlled at a comparatively low level. The provincial total volume of retail sales from January to September recorded an increase of 5.4 percent over the corresponding period last year. The general level of market prices was 1.7 percent higher than in the same period last year. The financial revenue and expenditure situation is rather good. The local financial revenue of the whole province was 3.69 billion yuan, and increase of 6.6 percent over the corresponding period last year. The monetary situation is stable and the deposit balance amounts to 30.28 billion yuan, an increase of 21.7 percent over the beginning of this year.

However, we have yet to tide over the present economic difficulties. The salient problems in economic operation are still poor sales and a drop in economic results. The finished products of enterprises are kept too long in stock, losses have greatly increased, product mix has been readjusted slowly, and the quality of some light industrial products is poor and does not meet the market needs. In particular, since the third quarter, some new situations warranting attention have appeared in our province's economic life: 1) Industrial production has dropped and contrasts with the development situation of the whole country. 2) Financial revenue has declined. We must fully affirm the achievements in the economic situation of our province but, on the other hand, we must face difficulties and problems squarely. Only by affirming achievements, strengthening our confidence in overcoming difficulties, and facing problems squarely can we solve problems effectively. We must prevent being fearful of difficulties, and flinching, and the idea of inertia; pay special attention to preventing the spread of feelings of pessimism, frustration, and slackness; especially emphasize seeing a bright and hopeful future in times of difficulty; and we must inspire our enthusiasm and struggle hard tenaciously in our work.

Of the existing problems in economic work, some have accumulated over many years and some have emerged under the circumstances of improvement and rectification. All problems, deep level or temporary, old or new, are problems in the course of advance and development and can be overcome through our efforts. A large number of facts show that as long as we give full play to our initiative, are not pessimistic and frustrated in the face of difficulties, struggle hard and tenaciously, and work hard, we shall surely extricate ourselves from our predicament.

Unify Thinking, Inspire Enthusiasm, and Firmly Seize the Last Two Months To Promote Economic Work

The forum held that at present, the following several problems should be seriously solved:

1. We must unify our thinking and inspire our enthusiasm and the whole party must start work to promote industry. We must emphatically adhere to the policies with economic work as the center. It is necessary to put economic work in the major and central position, to promptly discuss crucial questions in local economic

work, to get rid of interference in economic work, to enhance efficiency, and to seize the opportune moment to solve the questions in economic work that urgently need solution. In face of the present difficulties, we must inspire our enthusiasm and overcome slack thinking. The party and government leadership organs at all levels and departments in charge of economic work, must strengthen leadership over the organization of industrial production, step up command of production, and promptly regulate and solve the questions emerging during production. They must send cadres down to stay in factories, grasp the key and difficult points, and the production of marketable products, and really help enterprises eradicate worries and difficulties. The departments in charge of economic work must study and solve, one by one, the difficult questions which exist in the course of production and operation in key enterprises.

2. It is essential to further enliven the market, to increase sales, and to invigorate circulation. The weak market is what affects industrial production. The present way out for industrial production lies in enlivening the market. To this end, the provincial government has formulated policies and measures to invigorate the circulation of commodities, activate the urban and rural markets, promote sales of industrial products, consolidate wholesale links, and to procure and store important commodities. Judging from the present situation, some policies and measures have been carried out but some have not been carried out sufficiently. During the last two months it is imperative to carry out serious supervision and inspection and to really implement these policies and measures until practical results are achieved. Those who have fulfilled their quotas for procuring commodities may strive to procure and store more in light of the situation without being limited by the index. Those who have not fulfilled their quotas must overcome difficulties and exert efforts to overfulfill their quotas. Proceeding from the overall situation, the commercial, supply and marketing, and material departments must strengthen cooperation and regularly hold coordination meetings to do well in converging the plans for production and marketing. Foreign trade departments must vigorously increase exports. To enliven the market, it is essential to vigorously develop the rural market. It is necessary to continuously implement the system of contracted responsibilities for sales and to arouse the enthusiasm of sales personnel. State-owned wholesale enterprises must vigorously sell industrial products to rural areas in all forms. The supply and marketing cooperatives must give play to their widespread superiority and supply industrial products to the peasants. State-owned commercial enterprises must seriously provide good service before and after selling their goods. Commercial departments at all levels must make an early start in arranging for the supply of commodities during the New Year and spring festivals. In issuing loans, banks at all levels must distinguish between key enterprises and general enterprises on the basis of the marketable products and benefit to bring the benefit of the funds into full play.

3. We must deepen reform and concentrate our energy on doing a good job in operation contracts for enterprises in the second round. The operation contracts for over 90 percent of the industrial and commercial enterprises in our province will expire at the end of this year. At present, 20 percent of the budgetary industrial enterprises and 11 percent of the state-owned commercial enterprises have signed operation contracts for the second round. The work has, on the whole, progressed slowly. We must now pay attention to the following several points: 1) We must unswervingly do well in operation contracts for enterprises and not waver. Doing a good job in operation contracts for enterprises in the second round is beneficial to stabilizing policies, reassuring operators, enterprises, the economy, improvement, and rectification, and we must carry on without wavering. The imperfect can be perfected through summing up experiences. 2) The work of operation contracts for enterprises in the second round must be deepened and perfected even more than in the first round. First, the system of the contract index must be perfected and we must not go in for contracting profits alone. Second, operation contracts in the new round should mainly be operation contracts for collectives. Except for small enterprises, we must not go in for operation contracts for individuals. However, it must be clear and definite that a factory director (manager) is the representative of a legal person, an enterprise. In the course of contract, the workers' role as a master must be respected. 3) All departments must accelerate fulfillment of the contracts in close coordination with one another and must work meticulously. We must act by following the procedures and not indulging in simplification. Contracts should not become a mere formality and things should not be done perfunctorily and superficially. 4) The continuity and stability of policies must be maintained. All basic policies for enterprise reform should remain stable. The relevant policies on the system of enterprise leadership, the system of enterprise operation contracted responsibilities, the individual economy, and on the private sector of the economy, and the relevant limits to unfair social distribution, to the operation and marketing of the means of production, and to anticorruption and antibribery as announced by the provincial party committee and provincial government at a provincial conference on production work on 29 October last year, will continue to remain stable and unchanged.

4. It is imperative that we speed up readjustment of the product mix and make efforts to enhance economic results. Production must be geared to the needs of the market; the improvement of quality and a reduction in consumption regarded as the focal point; the enhancement of economic results taken as the center; and the product mix readjusted in a down-to-earth manner until results are achieved. In the light of the actual situation of all places, professions, and trades, we must seriously implement our province's "recent views on readjustment of the product mix"; do well in grasping capital construction, putting the technical transformation projects into operation to carry out production and achieve results;

and suitably readjust the pattern of investment. In coal production, it is essential to implement the principle of basing production on transport and sales prospects and avoid unwarranted production. In the course of readjusting product mix, we must pay attention to bringing township and town enterprises further into play.

5. Good preparations must be made for next year's production. Industrial production will face very great difficulties in the first half of next year. The focal points of our work will be to readjust the structure, strengthen management, and enhance economic results. While doing a good job in readjusting the product mix this year, all levels and departments must conduct investigation and study early and formulate plans for readjusting the product mix next year. In conjunction with readjustment of the product mix, we must vigorously and properly carry out readjustment of the enterprise organizational structure, consolidate and perfect business conglomerates, effect enterprise mergers, and promote the rational flow of production factors. We must pay special attention to developing a number of large enterprises which have high output values, yield big profits, and pay large amounts of taxes, as well as to major products of superior quality which can support the financial revenue. It is necessary to strengthen management and advance economic management work to a new level. This is the key to giving full play to the potential of enterprises and to gradually changing our province's economy from having the stress on speed to putting the stress on economic results. We must now start working out next year's plans for strengthening and improving enterprise management, putting the system of operation and management on a sound basis, summing up good experiences in management, and training management personnel. In view of the present situation in the serious overstocking of enterprise products and operating under capacity, we must especially do well in grasping the work of ordering goods, storing raw materials, and overhauling equipment.

6. On agricultural issues. This year, our province's economic situation is comparatively stable and developing in a good direction. A bumper agricultural harvest will be a decisive factor. We must continuously maintain the good momentum in agricultural development and make good preparations for next year's continuous bumper harvest. At present, it is essential to pay special attention to two aspects of work: 1) We must really do a good job in the procurement of agricultural and sideline products and prevent the "difficulties in selling grain" situation from emerging again; and 2) we must carry out this winter's and next spring's farmland capital construction well.

Party Committees and Governments at All Levels Must Really Strengthen Leadership and, in Close Coordination With One Another, All Professions and Trades Must Concentrate Their Forces To Fight the General War Well

Concentrating energy on doing economic work well is an urgent and actual need and is of far-reaching significance. Only by doing well in economic construction can

we have a solid foundation for social and political stability, can the masses live and work in peace and contentment, and can all causes develop steadily. Therefore, party committees and governments at all levels must further strengthen their consciousness in implementing the party's basic line, further strengthen guiding ideology with economic construction as the center, really strengthen leadership, and concentrate their energy to promote our province's economy. First, party committees and governments at all levels must really grasp economic work as the central task, include economic work in their important agenda, and put economic construction in the "central" position in the aspects of ideology, work, and energy. They must further coordinate all departments and exert joint forces to grasp the economy. Not only must the principal leaders grasp the work personally but also the other members of the party committees must do their work well, centered on economic construction. Second, it is necessary to further improve work methods, change work style, and to really give effective and vigorous guidance to economic work. On the basis of their previous work, party committees and governments at all levels must implement the spirit of the Sixth Plenary Session of the 13th CPC Central Committee still better, go deep into the grass roots and masses, establish the practice of investigation and study, and take the mass line well. 1) We must gain a clear idea of the situation in the economic development of our areas and conduct practical and realistic analysis. While affirming our achievements, we must face the existing difficulties squarely, correctly understand the salient questions and the main crux affecting economic development, put forward corresponding countermeasures, and work out macropolicy decisions well. 2) We must overcome the method of giving only vague and general directions, pay attention to the major links in economic work, and exert efforts to solve the key questions. Regarding the enterprises in difficulty, we must clearly understand the situation and send down personnel from the departments concerned to help them solve the questions, one by one. 3) We must be good at discovering good examples, seriously sum up their advanced experiences in overcoming difficulties and enlivening the economy, and seriously popularize them. 4) We must go deep into the grass roots to seriously listen to the voices of the masses, resolve their difficulties, and do penetrating and meticulous ideological and political work. We must effectively mobilize and organize the masses and pool the wisdom and efforts of everyone to overcome and tide over difficulties. Third, we must step up implementation of all relevant policies and measures. Over a period of time, to overcome difficulties and promote the economy as soon as possible, the whole country, varying from the central authorities and province to all places and departments, have put forward many good policies and measures. A pressing matter of the moment is to carry these out so that they can be brought into play as soon as possible. The party committees and governments at all levels throughout the province must establish the style of work—not running after undeserved reputation, not going in for formality, not

indulging in idle talk, talking less and doing more, quietly being immersed in hard work, and working in a down-to-earth manner—and advocate the style of work—telling the truth, doing practical work, pursuing practical results, and laying stress on actual achievement. While emphasizing the necessity of concentrating energy on the promotion of the economy, we must pay attention to preventing the tendency of taking a firm hold with one hand and a loose hold with the other. We must make overall plans, take all factors into consideration, and do the other aspects of work well. This has a direct bearing on the steady political, economic, and social development of the whole province. They are all very important, must be grasped seriously and well, and we can by no means relax in the slightest.

When enterprises want to develop and promote production, they must mainly rely on their own efforts. However, there must be a good external environment. We must grasp the production, circulation, distribution, consumption, and other links and fight the general war of industrial production. We must arouse the enthusiasm of all professions, trades, and departments, make concerted efforts to serve industrial production, and work hard to create an excellent external environment for enterprises' production and operation. It is necessary to mobilize all professions, trades, and departments to fight the "general war" well. All professions, trades, and departments must take the overall situation into consideration, closely coordinate with one another, firmly establish an idea of serving enterprises and production, and make contributions toward enterprises so that they can extricate themselves from the predicament as soon as possible. The functional departments of economic management, regulation, and control, supervision, and law enforcement, at all levels must take rejuvenating the economy, enlivening enterprises, and doing a good job in production as their own duties, be eager to meet the needs of enterprises and consider and do what enterprises need, and sincerely and enthusiastically try in every possible way to help enterprises eradicate worries and resolve difficulties. We must act as the "bodyguard" of and "adviser" to enterprises on our own initiative; resolutely curb the unhealthy trends of "indiscriminately levying charges, imposing fines, apportioning expenses," resolutely correct trade malpractices, and make efforts to lighten the pressure on and burdens of enterprises. With subordinating themselves to and serving economic construction as the center, the judicial departments at all levels and all mass organizations must start their own work effectively. The party and government organs at all levels must regard serving enterprises as their own duty, make things convenient for enterprises in production, marketing, and conducting all proper formalities, and give them the green light. The leaders at all levels must personally go deep into the production forefront, grasp the overall and key links and questions, and make breakthroughs in and resolve the key points. At present, because enterprises are facing many difficulties, the leaders at all levels must show concern for and cherish enterprise leaders and support them in working boldly

and tiding over difficulties. It is essential to maintain the continuity and stability of the policies. All policies and measures formulated by the central authorities, the provincial party committee, and the provincial government in the past to enliven enterprises must be implemented continuously so long as no changes have been clearly and definitely announced. No departments shall work out any policy decisions of their own and go their own way; withhold implementation of policies without authorization; passively deal with and refuse to implement policies; and, under the pretext of improvement and rectification, recover those powers that should be delegated to the lower levels. At present, all places and departments must devote themselves to studying policies and avail themselves of the policies to make them really become a motive force in promoting production. It is imperative to really do a good job in media and propaganda work. It is necessary to vigorously publicize the factory directors, managers, and party committee secretaries who have struggled hard and tenaciously, been keen on making progress, and achieved outstanding results; and to vigorously disseminate those advanced examples of wholeheartedly relying on the working class, fully arousing and giving play to the enthusiasm, initiative, and creativeness of the workers and the masses, uniting as one, overcoming difficulties, and bravely tiding over difficulties. Their advanced deeds are vigorously publicized to encourage the morale of the workers and the masses so that they will struggle hard to fulfill this year's quotas for production.

There are only 70 days left from now to the end of this year. We are pressed for time to accomplish this year's plans for the national economy and social development and the tasks are rather arduous. We must gain a clear idea of the situation; unify our thinking; get mobilized urgently; go into action vigorously; inspire our enthusiasm; work in a down-to-earth manner; make concerted efforts; advance by surmounting every difficulty; try in every possible way to promote the economic work of our province; and greet the successful holding of our province's sixth party congress by doing practical work.

Tianjin Holds Rally on Antiembezzlement Struggle

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[Text] On the morning of 20 November, procuratorial departments of the municipality held a rally to summarize the special struggle against the crimes of embezzlement and bribery and to commend advanced collectives and individuals. Forty-one advanced collectives and 210 advanced individuals were commended at the rally. Attending the rally were Liu Jinfeng, Yang Jingheng, Lu Xuezheng, Song Pingshun, Xiao Yuan, He Guomo, and Wang Yongchen, leaders of the municipal party committee and government, the committee of the Chinese People's Political Consultative Conference, and the Discipline Inspection Commission. Zhang Siqing, deputy chief procurator of the Supreme People's Procuratorate, also made a special trip from Beijing to attend the rally.

The advanced collectives and advanced individuals commended at the rally were outstanding representatives emerging in the special struggle.

Liu Jinfeng, deputy secretary of the municipal party committee; Lu Xuezheng, Standing Committee member of the municipal party committee and secretary of its political and legal committee; and Zhang Siqing, deputy chief procurator of the Supreme People's Procuratorate; gave important speeches at the rally. They fully affirmed the procuratorial work, and warmly praised all the cadres and policemen who had displayed an indomitable fighting will during the special struggle.

Tao Yimin, chief procurator of the municipal procuratorate, gave a summarizing speech. He said: The three-month special struggle, as a campaign of our municipality's struggle against the crimes of embezzlement and bribery, has been successfully concluded. However, as the struggle is a long-term one, future tasks will be even more arduous. In line with the guidelines of the recent national work conference of chief procurators, we should shift our work to investigation and handling of major and serious cases. We should continue to deepen the struggle in a planned and orderly manner.

Tan Shaowen Attends Youth Federation Session

SK2111134190 *Tianjin City Service in Mandarin*
2300 GMT 20 Nov 90

[Text] The first plenary session of the eighth Tianjin Municipal Youth Federation and the ninth congress of the Tianjin Municipal Students' Federation opened ceremoniously at the auditorium of the Tianjin Guesthouse on the afternoon of 20 November. Municipal leaders Tan Shaowen, Nile Bichu, Liu Jinfeng, Zhang Zaiwang, Yang Zhihua, Yang Jingheng, Yang Huijie, Wang Xudong, Wang Chenghui, Shi Jian, Xiao Yuan, Zhao Jinsheng, and Li Jianguo as well as veteran comrade Liu Gang attended the opening ceremony to extend congratulations to the representatives of youths and students. Zhang Baoshun, vice president of the All-China Youth Federation and secretary of the Secretariat of the Central Committee of the Communist Youth League [CYL], and responsible persons of the All-China Youth Federation, All-China Students' Federation, the Beijing Municipal CYL Committee, and the Beijing Municipal Youth Federation made a special trip here to extend congratulations.

(Geng Xiangbin), president of the seventh municipal youth federation, presided over the ceremony. Tan Shaowen, secretary of the municipal party committee, extended warm congratulations to the session and the congress on behalf of the Tianjin Municipal CPC Committee, the municipal People's Congress Standing Committee, people's government, and committee of the Chinese People's Political Consultative Conference, and extended cordial greetings to youths of various nationalities in various circles of the municipality and young students.

Tan Shaowen said: With the guidance of the guidelines of the third plenary session of the 11th party Central Committee, the vast number of youths throughout the municipality have vigorously devoted themselves to socialist modernization, and have worked assiduously in their own posts, thus playing their role as a major force. They have made significant contributions to Tianjin's political stability, social progress, economic development, and cultural advancement.

Tan Shaowen pointed out: The party and the government have always regarded youths as the hope of the country. Whether or not the younger generation can grow in a healthy manner has a bearing on whether or not the revolutionary causes pioneered by the proletarian revolutionaries of the older generation can be carried through to the end, on the future and destiny of the party and the state, and on the success and failure of socialist modernization.

Tan Shaowen emphasized: Today's youths shoulder glorious and yet arduous tasks. The next 10 years mark a key period for our country to redouble its GNP. To make our construction successful, youths should become models in safeguarding stability. The vast number of youths should further enhance their understanding of the importance of the work to safeguard stability, and make new efforts to consolidate and develop the stable and united political situation through their actual deeds.

He pointed out: Youths should go all out to fulfill the heavy historical tasks. The most important thing is that they should have a firm and correct political orientation. They should study hard Marxism-Leninism-Mao Zedong Thought and the works of Comrade Deng Xiaoping to acquire the correct stand, viewpoint, and method. They should conscientiously study and implement the party's basic line, and continuously enhance their ability to oppose peaceful evolution and resist the influence of bourgeois liberalization.

Officials Urge U.S. Fruit Purchases, Arms Sales*OW1711202190 Taipei International Service
in English 0200 GMT 17 Nov 90*

[Text] Vice Chairman of the Council of Agriculture Chiu Mao-ying on Friday explained to the American side at the current joint conference of the ROC [Republic of China]-USA and USA-ROC economic councils the ROC's food and vegetable quarantine and standard system. Chiu also urged the U.S. side to open its market and buy ROC fruit. Chiu noted that the ROC purchases large amounts of American fruit, but the American side continually uses the issue of quarantine to block imports of ROC fruit to the United States. Therefore, he said, he hoped the people taking part in this conference will relay the ROC's feeling on this matter back to the officials in the United States.

Meanwhile, at the meeting on Friday the Defense Ministry here for the first time formally invited U.S. arms manufacturers to take part in the manufacture of the ROC's Indigenous Defense Fighters and look to entering into spare-part cooperative agreements with the ROC. Vice Defense Minister Lin Ko-sheng explained to the American side the ROC's principles and regulations on purchasing weapons and arms, and also the items that the ROC needs. Lin said that in facing the building up of arms between the two sides of the Taiwan Strait, the ROC has reason to ask America to sell higher-level military equipment to the ROC.

Soviet Baseball Team Arrives in Taipei*OW2011151390 Taipei CNA in English 1426 GMT
20 Nov 90*

[Text] Chiang Kai-shek International Airport, Taoyuan, Nov. 20 (CNA)—A 26-member baseball team from the Soviet Union flew into Taipei Tuesday afternoon to participate in the international baseball association presidential cup to be played here Nov. 22 to Dec. 2.

The Soviet baseball team is the first Soviet sports group to visit here in decades.

Chen Hwai-chueh, secretary general of the Chinese Taipei Amateur Baseball Association, greeted the Soviet team at the airport.

Foreign baseball teams from the United States, the Philippines, Spain, Japan, South Korea, and the Soviet Union will participate in the 11-day competition. The host country Republic of China will enter two teams to compete with their foreign counterparts.

Fishery Talks With USSR Set for Tokyo*OW1911183190 Taipei CNA in English 1523 GMT
19 Nov 90*

[Text] Taipei, Nov. 19 (CNA)—Fishery representatives from the Republic of China and the Soviet Union will hold talks on cooperating with each other in Tokyo in a few days, the Council of Agriculture (COA) reported Monday.

The Taipei delegation to the talks, headed by COA Fishery Department Director Lee Chien-chuan, left for Japan Monday, a spokesman said. Huang Sheng-wei, executive director of the Republic of China External Fishery Cooperation and Development Association, will also join the talks.

The talks are expected to focus on such subjects as fishery cooperation, fishery services and the opening of [words indistinct] resources to the other side, the spokesman said.

Exiled Mainland Economist Warns of Depreciation*OW2311060890 Taipei CNA in English 0348 GMT
23 Nov 90*

[Text] Taipei, Nov. 23 (CNA)—Exiled Mainland Chinese economist Qian Jiaju predicted that the value of communist China's renminbi will continue to fall even though it has been depreciated twice since last December.

In an article published in the HONGKONG ECONOMIC JOURNAL Thursday, Qian said renminbi's value had been distorted in terms of reflecting Mainland China's commodity prices and in terms of its foreign exchange rate.

Renminbi's parity rates versus foreign currencies have always been manipulated, and thus cannot reflect its real value, the famous scholar said.

Qian pointed out that there are at least three prices for the mainland currency:

the first is the official exchange rate posted by the Chinese Communist authorities—5.2 renminbi against one U.S. dollar;

the second is the black market price, ranging from six to eight renminbi per U.S. dollar; and

the third is the price offered by communist China's "foreign exchange adjustment center," which is usually higher than the official rate and lower than the black market rate.

In addition to the first and third "manipulated" prices, communist China sometimes gives "exchange rate subsidies" to export products that are not competitive on world markets.

The Nov. 17 depreciation of renminbi aimed to encourage exports and to restrain imports in order to increase foreign exchange revenues and to alleviate Peking's financial difficulties, Qian said. [sentence as received]

But the effect can at best be "very limited," he said.

The reasons are: Mainland Chinese exports are already subsidized, and export products are mostly low-end products whose competitive advantage is low price, he said. In either case, depreciating renminbi can hardly help.

On the other hand, Qian pointed out, Mainland China usually imports machinery equipment, computers and high-tech products whose import costs will go up if renminbi is depreciated.

The increased costs will still have to be borne by the Mainland Chinese Government, a burden which the depreciation of renminbi will not help, the economist noted.

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